



**BOARD OF DIRECTORS
REGULAR Board Meeting**

Thursday, September 25, 2025
Commencing at 9:00 a.m. in person at
Pikes Waterfront Lodge – Binkley Room
1850 Hoselton Drive, Fairbanks, Alaska 99709

&

Join Virtual Zoom Meeting Room

<https://us02web.zoom.us/j/89498972929?pwd=b5Td52nkYQMYmfSFm8SPQbZ8CQBmmu.1>

Meeting ID: 894 9897 2929 Passcode: 565248



One tap mobile

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Join by SIP

• 89498972929@zoomcrc.com

Join instructions

https://us02web.zoom.us/join/89498972929/invitations?signature=W0WZ7CgvGUIXmSJoWtMnZYaBbGHK6vaxCDm_DueaHiY

ARRC BOARD OF DIRECTORS
MEETING AGENDA

Thursday, September 25, 2025 ~ 9:00 a.m.

Pikes Waterfront Lodge – Binkley Room, 1850 Hoselton Drive, Fairbanks, Alaska 99709

- I. CALL TO ORDER**
- II. ESTABLISH QUORUM**
- III. SAFETY BRIEFING**
- IV. CHAIR COMMENTS**
- V. ADOPTION OF AGENDA**
- VI. CONFLICT OF INTEREST DISCLOSURES**
- VII. ADOPTION OF MINUTES**
 - 1. [Approval of Regular Meeting Minutes of June 25, 2025](#)
 - 2. [Approval of Special Meeting Minutes of July 11, 2025](#)
- VIII. OPPORTUNITY FOR PUBLIC COMMENT**
- IX. BRIEFING ITEMS**
 - A. Public Briefings (a portion may be held in Executive Session)**
 - 1. [CEO Update](#)
 - 2. [Safety Update](#)
 - 3. [Business Report](#)
 - B. Committee Reports**
 - 1. [Real Estate Committee](#)
 - 2. Executive Committee
 - 3. Safety Committee
- X. NEW BUSINESS**
 - C. Executive Session Briefings**
 - 1. Contracts, Claims, Litigation, Personnel and Financial Matters
 - 2. Administrative Order 360
 - 3. Seward Passenger Dock Project Update
 - 4. Port MacKenzie Rail Extension Update
 - 5. Legislative Update
 - 6. Business Development Report
 - D. Adoption of Consent Agenda**
 - 1. [Resolution No. 2025-25](#) Relating to an Increase in Funding for the Purchase of a New Wheel Lathe (AFE No. 11313 S-1)
 - 2. [Resolution No. 2025-26](#) Relating to Final Design and Procurement for the Completion of the Port MacKenzie Rail Extension Project (AFE No. 11397)
 - 3. [Resolution No. 2025-27](#) Relating to Increased Funding for 2025 Passenger Car Rehabilitation Program (AFE No. 11318-S1)
 - 4. [Resolution No. 2025-28](#) Relating to Increased Funding for the 2024 Portage Tunnel Rehabilitation Project (AFE No. 11204-S1)
 - 5. [Resolution No. 2025-29](#) Relating to Increased Funding for the 2024 FTA Complex Culvert Program (AFE No. 11193-S1)
 - 6. [Resolution No. 2025-30](#) Relating to Increased Funding for the 2025 FTA Track Rehabilitation Program (AFE No. 11308-S1)
 - 7. [Contract No. 21213](#) - Alaska United Fiber System Partnership - (Anchorage)
 - 8. [Contract No. 21196](#) – State of Alaska, DOT & PF - (Seward)
 - 9. [Contract No. 21222](#) – WAC Holdings, LLC. - (Anchorage Reserve)
 - 10. [Contract No. 21223](#) - Alaxsxaq - (Anchorage Reserve)
 - 11. [Contract No. 21225](#) – Snap Investments, LLC. - (Anchorage Reserve)
- XI. OPPORTUNITY FOR PUBLIC COMMENT/DIRECTORS/CEO/STAFF COMMENTS**
- XII. ADJOURNMENT**

2025 June 25 Regular Board Meeting Min

ALASKA RAILROAD CORPORATION MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

**Anchorage, Alaska
Wednesday, June 25, 2025**

I. CALL TO ORDER

Vice Chair Judy Petry called the meeting to order at 9:01 a.m. on Wednesday, June 25, 2025. The meeting was held in person at 327 West Ship Creek Avenue, 3rd Floor, Anchorage, Alaska 99501, with a virtual participation option.

II. ESTABLISH QUORUM

Vice Chair Petry requested that Board Secretary Jennifer Mergens establish a quorum. Vice Chair Judy Petry; Director John Binkley; Director Gale Dinsmore; Director John Reeves; Commissioner, Department of Commerce Community and Economic Development, Julie Sande; and Commissioner, Department of Transportation & Public Facilities, Ryan Anderson were present. Chair Shively was excused. Ms. Mergens established a quorum.

Staff members present:

A. Behrend, Chief Counsel	M. Maddox, Chief Financial Officer
P. Roberts, Chief Special Agent	D. Greenhalgh, VP Marketing & Customer Service
G. Goemer, Director, Supply Management	C. Hopp, Chief Operating Officer
C. Terry, VP, Real Estate	A. Kinnaman, Controller
B. Lindamood, VP Engineering/Chief Engineer	L. Knox, Director, Strategic & Financial Planning
M. Clemens, Director, External Affairs	C. Clarke, Corporate Communications Officer
L. Hall, Executive & Corporate Administrator	T. Covington, Director, Safety
J. Mergens, Chief Human Resources Officer	K. Taylor, Manager Leasing, Real Estate
B. O'Leary, President & Chief Executive Officer	
R. Highstone, Risk Manager	
K. Gratrix, Manager Real Estate Contracts	

Guests and members of the public present:

Cynthia Wentworth	Tanya Hickok
Brian Lamson	

III. SAFETY BRIEFING

Mr. Covington discussed this year's wildfire season, noting that currently no ARRC assets are at risk. He said that maintaining a defensible space along the perimeter of buildings can help prevent structure loss and property damage in the event of a wildfire. Mr.

Covington shared a national safety program called “Ready! Set! Go!” which has been adopted by Alaska.

IV. CHAIR COMMENTS

Vice Chair Petry added to the safety briefing noting that wildfires are currently impacting southwest Utah, where she was attending from, and that an evacuation plan appropriately applies to areas that experience severe weather conditions as well. She noted that in the event her virtual connection is interrupted, Director Binkley would assume the responsibilities of chairing the meeting.

V. ADOPTION OF AGENDA

Director Dinsmore moved to adopt the agenda, and Director Binkley seconded the motion. The agenda was unanimously approved as presented.

VI. CONFLICT OF INTEREST DISCLOSURES

No member stated any conflict of interest.

VII. ADOPTION OF MINUTES

Director Dinsmore moved to approve both the Regular Board Meeting minutes of March 28, 2025, and the Special Board Meeting minutes of May 9, 2025. Director Binkley seconded the motion. Both sets of meeting minutes were unanimously approved as presented.

VIII. OPPORTUNITY FOR PUBLIC COMMENT/STAFF/DIRECTORS

Cynthia Wentworth spoke in support of developing a commuter rail program, specifically mentioning the August 2023 Sierra Club Rail Transportation Statement which she had emailed to ARRC.

IX. BRIEFING ITEMS

A. Public Briefings

1. CEO Update

Mr. O’Leary briefed the Board on relevant business matters arising prior to the June 25, 2025, meeting. He shared that the 2025 summer season is off to a smooth start, with ARRC benefiting from stronger staffing levels compared to previous years. Mr. O’Leary noted ARRC has seen some shifts in business operations, notably with Norwegian Cruise Lines relocating from Seward to Whittier. He said that gravel trains are again operating and barge volumes continue to be strong. Mr. O’Leary expressed sympathy for everyone impacted by, and gratitude for those who responded to, the recent fatality near Montana

Creek. He concluded his update by reviewing the ten items listed on the Consent Agenda, stating the all were recommended for approval by their respective Board Committees.

2. Safety Update

Mr. Covington and Mr. Hopp discussed YTD May 2025 safety statistics, noting ARRC has had one employee fatality and 17 employee casualties. The FRA casualty rate is 6.4 as compared to 3.6 during this same period last year, and a lost time rate of 4.5 compared to 2.9 in 2024. Mr. Covington stated that lost work days are currently at 473 and restricted work days are at 93. He noted ARRC has some positive metrics including 0 FRA reportable cases over \$12,000, 0 FRA reportable derailments, and 0 FRA passenger casualties at the time of this report. Mr. Covington said that the recent ATV trespassing incident which resulted in a fatality is currently under investigation. Vice Chair Petry echoed that summer brings an increased reporting of rail trespassing issues nationwide. Director Dinsmore shared the heartfelt appreciation of one of the members of the crew involved in that incident for support they had received.

3. 2025 Financial Report

Ms. Maddox reported ARRC's YTD April 2025 business results. Highlights of her presentation included:

- As of April, ARRC is showing a net loss of \$15.9 million, \$1.5 million larger than expected according to the revised budget.
- Freight revenue was down 3.2% (\$1.3 million), primarily driven by under-performance of local coal, TOFC/COFC and interline COFC.
- 2025 passenger performed as expected, outperforming the revised budget by \$43,000.
- Real Estate net revenue under-performed by 3.6% (\$0.2 million) largely due to lower-than-expected lease revenue and a lease term restructuring.
- Operating expenses came in over revised budget by 1.7% (\$1.1 million), largely attributable to materials and supplies coming in over revised budget.
- Both the health care trust and pension plan are well-funded, and the benefit plans' annual performance reports were provided in the Board's materials.
- Annual insurance renewals begin on July 1. Ms. Maddox shared that it is anticipated that the ARRC's property program premiums will be reduced over last year's rate, and the liability program premiums are anticipated to increase by about 6%. She said Board authorization is requested to renew both the liability and property insurance policies up to 10% for each program.

B. Committee Reports

1. Real Estate Committee

Committee Chair Binkley stated that the Real Estate Committee met on June 4, 2025, and all Board Members were present. Ms. Terry shared that the three leases and one resolution, as well as the related Authorization for Expenditure (AFE) before the Board were discussed at that meeting and were all recommended for approval.

2. Executive Committee

Vice Chair Petry said the Executive Committee had met monthly since the previous board meeting; on April 23, 2025; on May 7, 2025; and on June 6, 2025, noting all three sets of confidential meeting notes were included in the Board materials. She said that the discussions primarily surrounded action items listed on the Consent Agenda.

3. Audit Committee

Committee Chair Petry said the Audit Committee met on June 24, 2025. She shared that the meeting notes are confidential and were emailed to the Board prior to the meeting. The Committee reviewed request for proposal documents and recommended approval of Resolution No. 2025-18 Relating to the Selection of a Firm to Perform the 2025 through 2029 Financial Audits and Other Financial Related Services.

X. NEW BUSINESS

C. Executive Session Briefings

Director Binkley moved to have the Board recess to Executive Session to discuss the listed Executive Session agenda items. Director Dinsmore seconded the motion. There was no further discussion or objection. The motion was approved and the Board convened to Executive Session at 9:40 a.m. The following items were discussed:

1. Contracts, Claims, Litigation, Personnel and Financial Matters
2. Whittier Land Transfer
3. Gasline Project Update
4. Legislative Update
5. Seward Passenger Dock Project Update
6. Business Development Report

Vice Chair Petry called the meeting back into public session at 11:32 a.m.

D. Adoption of Consent Agenda

Vice Chair Petry read the Consent Agenda into the record. Director Dinsmore made a motion to adopt the listed items under the Consent Agenda. Director Binkley seconded the motion. There was no further discussion or objections and the Consent Agenda, consisting of the following ten items, was adopted:

1. Resolution No. 2025-13 – Relating to Insurance Renewal for 2025-2026
2. Resolution No. 2025-14 – Relating to Funding of Environmental Mitigation Required in Conjunction with the Seward Freight Dock and Corridor Improvements Project (AFE No. 11387)
3. Resolution No. 2025-15 – Relating to Funding for the Locomotive 4317 Engine Rebuild Project (AFE No.11386)

4. Resolution No. 2025-16 – Relating to the Approval of Third Amendment to the Alaska Railroad Pension Plan
5. Resolution No. 2025-17 – Relating to the Purchase of the Phillips Property in Fairbanks from the Personal Representative of the Estate of Carroll Phillips, Jr. (AFE No. 11385)
6. Resolution No. 2025-18 - Relating to the Selection of a Firm to Perform the 2025 through 2029 Annual Financial Audits and Other Financial-Related Services
7. Resolution No. 2025-19 – Authorizing an Amendment to the Tony Knowles Coastal Trail Permit
8. Contract No. 9800 - Municipality of Anchorage (Downtown Trail Connection) – Anchorage
9. Contract No. 21177 - Great Northwest Moving Company – Anchorage
10. Contract No. 9524A - Global Tower Assets III – Portage

XII. OPPORTUNITY FOR PUBLIC COMMENT/STAFF/DIRECTORS

Vice Chair Petry agreed with Director Dinsmore in the appreciation of staff and Board Member contributions, and the positive cultural shift at ARRC. Mr. O'Leary reminded Board Members to expect a Special Board Meeting in early to mid-July.

XIII. ADJOURNMENT

Director Dinsmore moved to adjourn, and Director Binkley seconded the motion. The meeting adjourned at 11:38 a.m.

ATTESTED BY:

Jennifer Mergens
Board Secretary

Date _____

2025 JULY 11 Special Board Meeting Minutes

**ALASKA RAILROAD CORPORATION (ARRC)
MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING**

**Anchorage, Alaska
Friday, July 11, 2025**

I. CALL TO ORDER

Board Chair John Shively called the special meeting to order at 11:01 a.m. on Friday, July 11, 2025. This special meeting was called for the purpose of (1) the Tentative Agreement between the Alaska Railroad and the Alaska Railroad Workers and Resolution No. 2025-20 relating thereto; (2) Resolution No. 2025-21 Authorizing the Issuance and Sale of Not to Exceed \$135,000,000.00, Aggregate Principal Amount, Cruise Port Revenue Bonds, Series 2025 of the Alaska Railroad Corporation for the Purpose of (i) Financing the Purchase of the New Seward Passenger Dock and Terminal and Associated Improvements, (ii) Funding Capitalized Interest and a Debt Service Reserve, if Necessary or Appropriate; and (iii) Paying the Costs of Issuing the Bonds; Authorizing the Execution and Delivery of a Trust Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, and Tax Agreement with Respect to the Bonds; Authorizing the Execution and Delivery of Each of the Interim Loan Documents (as Such Term is Defined Herein); Authorizing the Execution and Delivery of Each of the Security Documents (as Such Term is Defined Herein); Authorizing a Preliminary Official Statement and an Official Statement to be Distributed in Connection with the Issuance and Sale of the Bonds; Authorizing the Execution and Delivery of Other Necessary Documents; and Providing for Related Matters; (3) Resolution No. 2025-22 Relating to Funding of the Purchase of a New Seward Passenger Dock and Terminal (AFE No. 11293 S-1); and (4) Resolution No. 2025-23 Relating to Funding of Security Enhancements for the New Seward Passenger Dock and Terminal (AFE No. 11378).

II. ESTABLISH QUORUM

Chair Shively requested that Board Secretary Jennifer Mergens establish a quorum. Chair John Shively, Director John Binkley, Director John Reeves, Director Gale Dinsmore; Commissioner, Department of Commerce Community and Economic Development, Julie Sande; and Commissioner, Department of Transportation & Public Facilities, Ryan Anderson were present.

A quorum was established by Ms. Mergens.

Staff members present:

A. Behrend, Chief Counsel
C. Hopp, Chief Operating Officer
L. Knox, Director Financial Planning &
Analysis
R. Traini, Director, Employment Practices

M. Maddox, Chief Financial Officer
B. Lindamood, VP, Chief Engineer
J. Mergens, Chief Human Resources Officer
L. Hall, Executive & Corporate Administrator
C. Terry, VP Real Estate

B. O'Leary, President & Chief Executive Officer

C. Clarke, Corporate Communications Officer

D. Greenhalgh, VP, Marketing & Customer Service

M. Clemens, Director, External Affairs

A. Kinnaman, Controller

Y. Inga, Human Resources Coordinator

T. Sellers Wareham, Deputy Chief Counsel

Guests and members of the public present:

Hope Scarpinato, PFM Financial Advisors, LLC

Eric Whaley, Bank of America

John Pirog, Hawkins, Delafield & Wood LLP

Robert Tuteur, Eckert, Seamans, Cherin & Mellot, LLC

Dacia Haddad, Eckert, Seamans, Cherin & Mellot, LLC

David Grossklaus, Dorsey & Whitney LLP

Mickey Richardson, Seward Company, LLC

Keith Laufer, Port of Tomorrow, LLC

Kris Erchinger, Port of Tomorrow, LLC

Paul Bloom, Goldman Sachs

Kat Sorenson, City Manager, City of Seward

Jake Alward

Ethan Berto

III. ADOPTION OF AGENDA

Director Binkley moved to adopt the agenda as presented and Director Dinsmore seconded the motion. There was no discussion or objection and the agenda was adopted.

IV. CONFLICT OF INTEREST DISCLOSURES

No member disclosed any conflicts of interest related to the agenda items.

V. OPPORTUNITY FOR PUBLIC COMMENT

Mickey Richardson of The Seward Company provided an update on the progress of the Seward Passenger Dock.

Kat Sorenson, Seward City Manager, spoke in support of the Seward Passenger Dock.

VI. NEW BUSINESS

A. Action Item

1. Resolution No. 2025-20 – Relating to Approval of the Collective Bargaining Agreement between the Alaska Railroad Corporation and the Alaska Railroad Workers (ARW) Local 183

Director Binkley stated that all four action items were briefed in detail during the Executive Committee meeting held on July 9, and all four resolutions were recommended for Board approval. Director Binkley moved to approve Resolution No. 2025-20 and Director Dinsmore seconded the motion. Director Binkley said the agreement was a fair win for both the employees and ARRC. Director Dinsmore agreed. There was no further discussion or objection. The motion was adopted as presented.

2. Resolution No. 2025-21 – Authorizing the Issuance and Sale of Not to Exceed \$135,000,000.00, Aggregate Principal Amount, Cruise Port Revenue Bonds, Series 2025 of the Alaska Railroad Corporation for the Purpose of (i) Financing the Purchase of the New Seward Passenger Dock and Terminal and Associated Improvements, (ii) Funding Capitalized Interest and a Debt Service Reserve, if Necessary or Appropriate; and (iii) Paying the Costs of Issuing the Bonds; Authorizing the Execution and Delivery of a Trust Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, and Tax Agreement with Respect to the Bonds; Authorizing the Execution and Delivery of Each of the Interim Loan Documents (as Such Term is Defined Herein); Authorizing the Execution and Delivery of Each of the Security Documents (as Such Term is Defined Herein); Authorizing a Preliminary Official Statement and an Official Statement to be Distributed in Connection with the Issuance and Sale of the Bonds; Authorizing the Execution and Delivery of Other Necessary Documents; and Providing for Related Matters

Ms. Maddox reminded the Board that in August 2024 it approved a \$137 million purchase agreement for the new dock and terminal building, with an initial deposit of \$20 million down at signing, and the final disbursement of \$117 million to be paid at closing. She walked the Board through the next steps, documents, and resolutions needed to move forward with the purchase of the dock at completion.

Ms. Scarpinato presented the structuring and economics of the Cruise Port Revenue Bonds. She stated that the bonds will be issued with a thirty-year term, equating to annual debt service of \$8.8 million, priced in early August. She said the proceeds will be invested into 2026, and the first disbursement payment to bondholders in 2027.

Ms. Maddox said Resolution No. 2025-21, Resolution No. 2025-22 and Resolution No. 2025-23 would authorize the issuance and sale of the Cruise Port Revenue Bonds (“Series 2025 Bonds” through the execution of the following documents: Trust Indenture, Preliminary Official Statement and Official Statement, Bond Purchase Agreement, Continuing Disclosure Agreement, interim loan documents and security documents.

Director Binkley moved to approve Resolution No. 2025-21 and Director Dinsmore seconded the motion. There was no further discussion or objection. The motion was adopted as presented.

3. Resolution No. 2025-22 – Relating to Funding of the Purchase of a New Seward Passenger Dock and Terminal (AFE No. 11293 S-1)

Chair Shively requested Mr. Behrend speak on the revisions made to Resolution 2025-22 and emailed to Board Members prior to the meeting. Mr. Behrend stated that concerns raised following the Real Estate Committee meeting held on July 9 resulted in a request to more specifically define and explain budget, financing, and tax terms in Resolution No. 2025-22 so they were consistent with Section 703 of the Trust Indenture.

Director Binkley moved to substitute the revised version of Resolution No. 2025-22 for the version contained in the meeting materials and moved to adopt the revised resolution, and Director Reeves seconded the motion. There was no further discussion or objection. The motion was adopted.

4. Resolution No. 2025-23 – Relating to Funding of Security Enhancements for the New Seward Passenger Dock and Terminal (AFE No. 11378)

Director Binkley moved to approve Resolution No. 2025-23 and Director Dinsmore seconded the motion. There was no further discussion or objection. The motion was adopted as presented.

VII. OPPORTUNITY FOR PUBLIC COMMENT (For Agenda Items Only)

No members of the public offered any further comments.

VIII. DIRECTORS/CEO/STAFF COMMENTS

Chair Shively stated that the Board reviewed an impressive amount of material over the past week. Mr. O'Leary echoed Mr. Richardson's and Chair Shively's sentiments that the new Seward Passenger Dock project is a tremendous effort and important milestone, noting it is good not only for the Railroad, but the entire state of Alaska and its tourism industry. Mr. Binkley stated that this process has been an incredible journey since the initial start in 2018. He thanked Royal Caribbean Cruise Lines for the fundamental belief that Seward is the right place for a cruise port. Chair Shively said Seward remains a key transportation hub as the railroad continues its mission to drive connectivity and economic development for Alaska.

IX. ADJOURNMENT

Director Binkley moved to adjourn. Director Dinsmore seconded the motion. The meeting was adjourned at 11:38 a.m.

ATTESTED BY:

Jennifer Mergens
Board Secretary

Date _____

IX. BRIEFING ITEMS

A. PUBLIC BRIEFINGS

ITEM 1: CEO Update

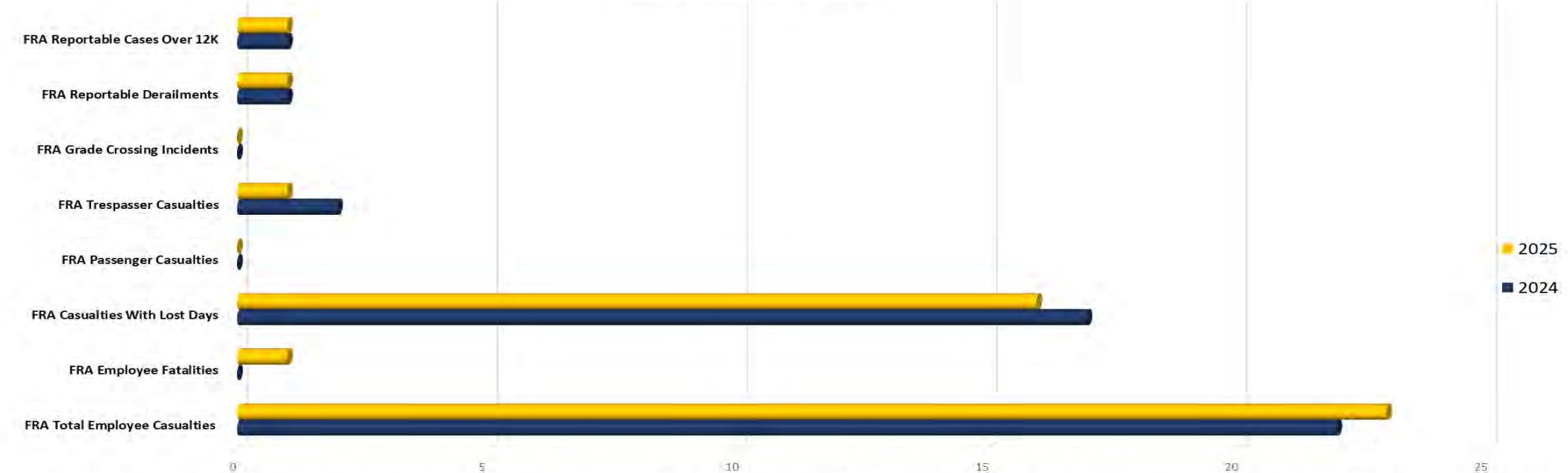
Verbal presentation

ARRC Safety BOD Report Sept 25 2025



Safety Report

FRA Safety Data
2024 Vs. 2025, YTD (31 Aug 25)



	FRA Total Employee Casualties	FRA Employee Fatalities	FRA Casualties With Lost Days	FRA Passenger Casualties	FRA Trespasser Casualties	FRA Grade Crossing Incidents	FRA Reportable Derailments	FRA Reportable Cases Over 12K
2025	23	1	16	0	1	0	1	1
2024	22	0	17	0	2	0	1	1

	FRA Casualty Rate	Lost Time Rate	Lost Work Days	Restricted Work Days
2025	5.3	3.6	447	263
2024	4.3	3.2	462	199

*FRA Casualty Rate = FRA Reportable Injuries (regardless of lost time) x 200,000 divided by total hours worked.
Lost Time Rate = Lost Time Cases x 200,000 divided by total hours worked



➤ YTD July 2025 Business Results

Michelle Maddox, CFO
September 25, 2025



Photo courtesy: Ben Traylor

YTD JULY 2025 Executive Summary

YTD net income of \$5.5 million was a smaller net income by \$4.5 million according to the revised budget

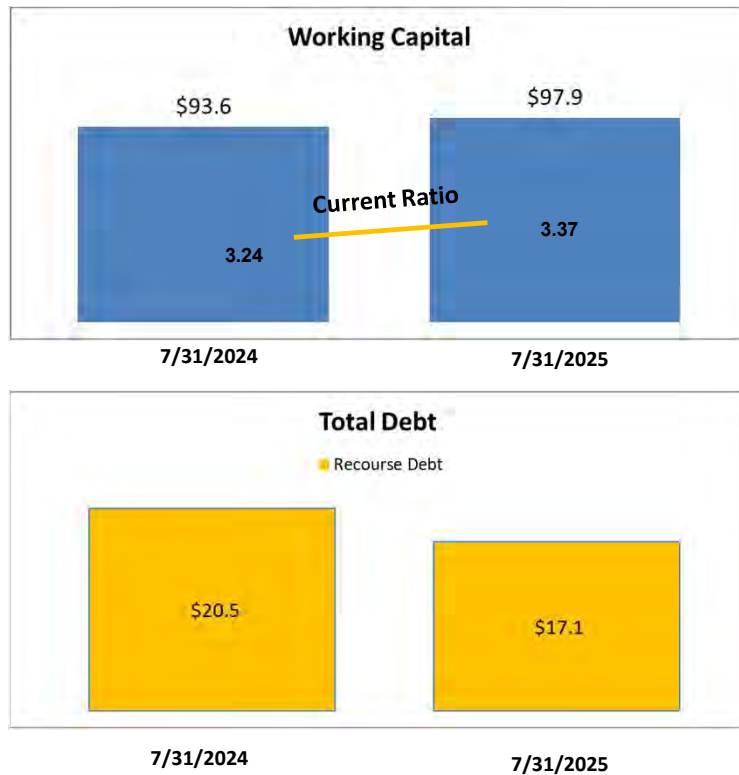
- Freight revenue under-performed revised budget by \$3.2 million, or 4.3%
 - Primarily due to under-performance of Petroleum, Local Coal, and TOFC/COFC business lines and lower fuel surcharge revenue than expected
- Passenger revenue out-performed revised budget by \$0.6 million, or 1.7%
 - Primarily due to out-performance of Denali Star
- Operating expenses came in over revised budget by \$2.5 million, or 2.2%
 - Primarily due to Materials & Supplies, and Other Expenses (Recoveries) coming in over revised budget
- Real Estate net revenue under-performed revised budget by \$0.5 million, or 3.4%
 - Driven primarily by lower than expected lease revenue due to rent credit offered for prior year weather issues, an unexpected lease term restructure and lower Seward Passenger Dock revenue
- Other revenue (expense) out-performed revised budget by \$1.1 million
 - Driven primarily by lower interest expense than expected due to Seward Passenger Dock loan not being issued and higher interest income than budgeted

ARRC cash balance and total debt were \$48.5 million and \$17.1 million, respectively, and net working capital was \$97.9 million.



Financial Position

at July 31, 2025
(\$ millions)



- Continuing to maintain strong liquidity at more than 3.0x current assets to current liabilities
- Decrease in year-over-year total debt
- ARRC's trailing 12-month cash flow increased on a year-over-year basis and leverage ratios increased
 - *debt-to-cash flow ratios are a measure of the company's ability to repay its debt from cash flow generated by the business*

	7/30/2024	7/31/2025
Total Debt / EBITDA	0.32x	0.47x

YTD JULY 2025 Freight Revenue Performance

FREIGHT REVENUE (net of fuel surcharge)

- 3%

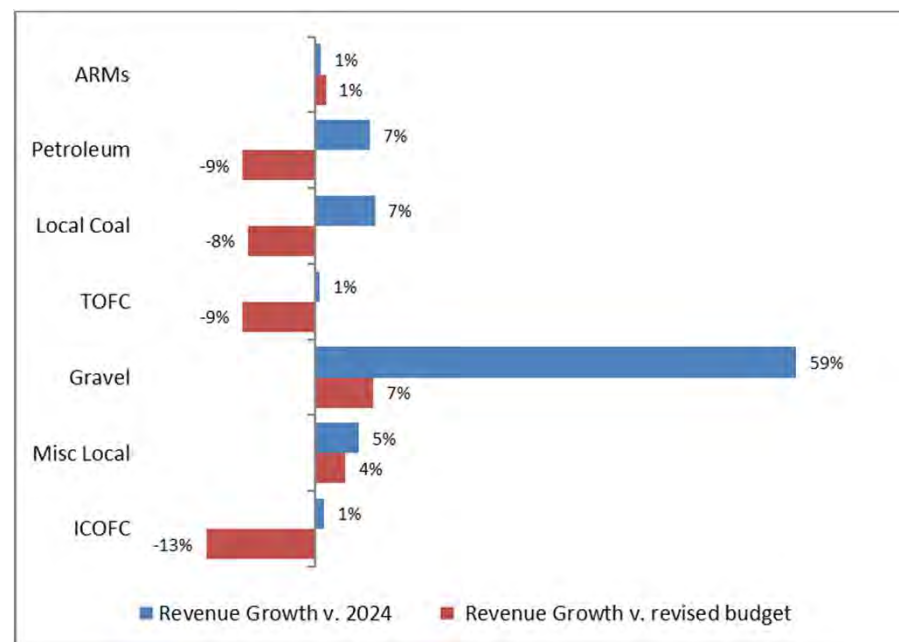
v. revised
budget

+ 6%

v. 2024

- Units: up 20% v. 2024
down 2% v. revised budget
- Freight Revenue per unit:
down 12% v. 2024
down 1% v. revised budget
- *ARMs, Gravel, and Misc Local out-performed revised budget*
- *All business lines out-performed prior year*

Freight revenue variance



YTD JULY 2025 Passenger Revenue Performance

PASSENGER REVENUE

+ 2%

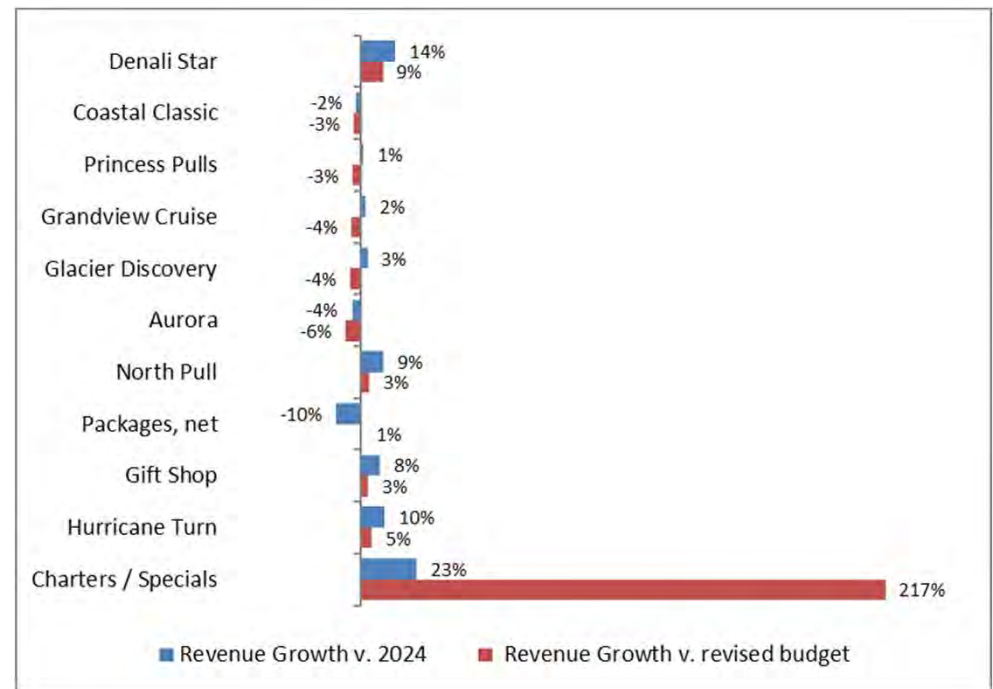
v. revised
budget

+ 5%

v. 2024

- ARRC Ridership: down 1% v. 2024
down 1% v. revised budget
- Revenue per ARRC passenger:
up 6% v. 2024
up 4% v. revised budget
- *Denali Star, North Pull, Gift Shop, Hurricane Turn, and Charters/Special out-performed revised budget.*
- *Most passenger business lines out-performed prior year.*

Passenger revenue variance



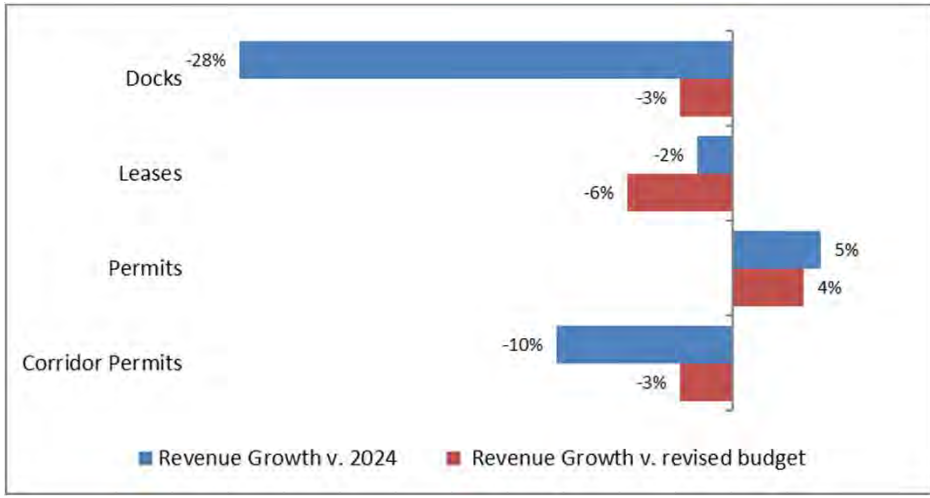
YTD JULY 2025 Real Estate Revenue Performance

REAL ESTATE REVENUE

- 4% **- 14%**
v. revised budget v. 2024

- Dock revenue lower than prior year due to NCL moving to Whittier
- Permits out-performed revised budget and prior year.

Real Estate revenue variance



YTD JULY 2025 Operating Expense Performance

OPERATING EXPENSES

+ 2%

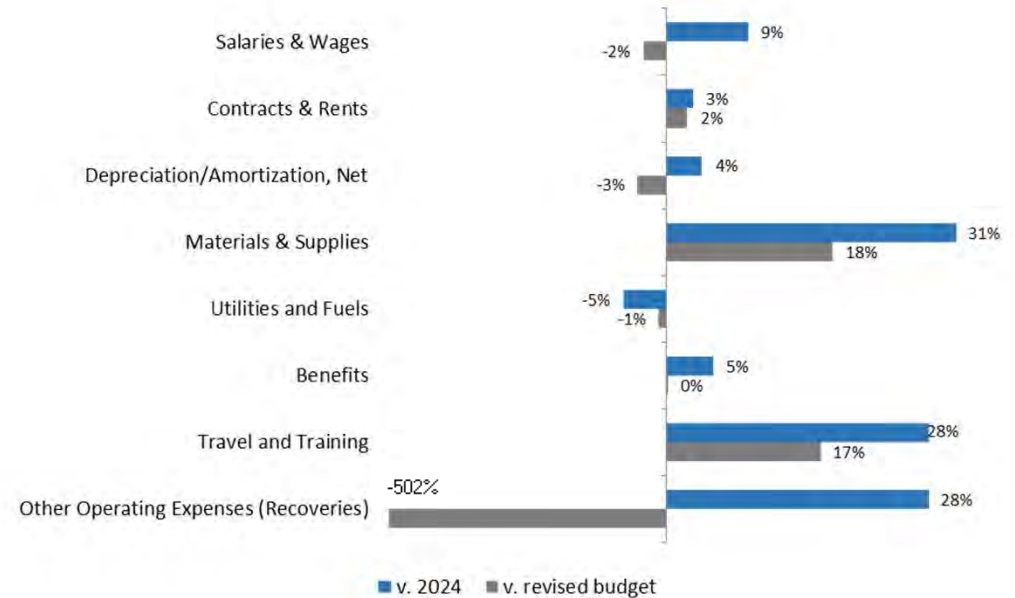
v. revised
budget

+ 8%

v. 2024

- Total operating expenses is over revised budget, primarily due to higher than expected material and supplies expense and large variance for Other Operating Expenses (Recoveries)
- Total operating expenses is over prior year in most categories with the exception of fuel expense

Operating expense variance



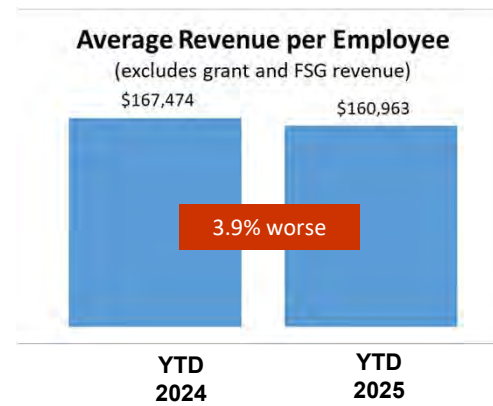
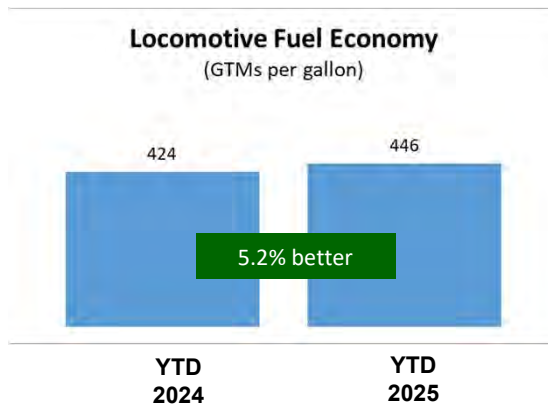
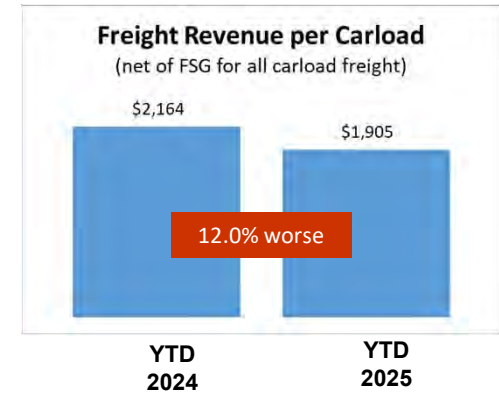
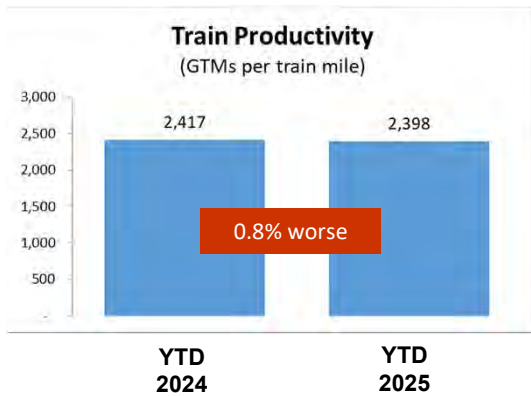
YTD JULY 2025 Financial Performance

\$ millions

	YTD July 2025	YTD Revised Budget	Variance from budget	YTD July 2024	Variance from prior year
Operating Revenues	\$ 106.3	\$ 108.9	\$ (2.6)	\$ 102.4	\$ 3.9
Operating Expenses	\$ 116.0	\$ 113.4	\$ 2.6	\$ 107.4	\$ 8.6
Operating Income (Loss)	\$ (9.7)	\$ (4.5)	\$ (5.2)	\$ (5.0)	\$ (4.7)
Real Estate, net	\$ 14.1	\$ 14.5	\$ (0.4)	\$ 17.6	\$ (3.5)
Other Income (Expense)	\$ 1.1	\$ 0.0	\$ 1.1	\$ 1.6	\$ (0.5)
Net Income (Loss)	\$ 5.5	\$ 10.0	\$ (4.5)	\$ 14.2	\$ (8.7)

- Operating revenue under-performed as compared to revised budget, due to under-performance of freight revenue. Operating revenue out-performed as compared to prior year, due to out-performance of freight and passenger revenue.
- Operating expenses were over revised budget and prior year
- Real Estate net revenue under-performed as compared to revised budget and prior year
- Other Income (Expense) out-performed revised budget due to lower interest expense due to Seward Passenger Dock loan not being issued as expected. Other Income (Expense) under-performed prior year due to lower interest rates.
- As a result, YTD Net Income is lower than revised budget and prior year

YTD JULY 2025 Operating Highlights



➤ YTD JULY 2025 Net Income Forecast

Net income forecast for 2025, given actual YTD July performance and latest revised budget for the remainder of the year, is \$38.1 million, which is \$6.5 million larger than the original budget net income for the year

- *Freight revenue forecast is \$5.9 million lower than reflected in original budget due to lower than expected performance of Interline, TOFC, and Local Coal business lines and fuel surcharge revenue*
- *Passenger revenue forecast is \$0.2 million larger than reflected in original budget due to strong performance of Denali Star*
- *Real Estate net revenue forecast is \$1.7 lower than reflected in original budget primarily due to lower than expected Lease revenue and Seward Passenger Dock*
- *Operating expense forecast is \$10.7 lower than what was reflected in original budget with larger variances in Corporate Overhead, Mechanical and Technology departments*
 - *Variance for Corporate Overhead primarily due to 2024 PM grant being recognized in 2025*
 - *Variance for Mechanical is related to higher than expected expense for wages and benefits, rolling stock parts, heavy equipment parts, and physical inventory adjustment for oil & lube*
 - *Variance for Technology is related to higher than expected computer software, professional fees, and depreciation expense*
- *Other revenue forecast variance is \$3.2 million primarily due to Seward Passenger Dock bank loan not being issued*
 - *The forecast does not reflect the impact of the Seward Passenger Dock bonds issued in August*

IX. BRIEFING ITEMS

B. Committee Reports

- 1. Real Estate Committee Notes (July 9, 2025 and September 11, 2025)**
- 2. Executive Committee Notes – Confidential**
- 3. Safety Committee Notes – Confidential**



Alaska Railroad Corporation Board of Directors Real Estate Committee Notes

Date: July 9, 2025

Time: 2:00 p.m.

Location: Hybrid Meeting

Board Members:

John Binkley, Committee Chair
John Shively, Committee Member
John Reeves, Committee Member
Judy Petry, Committee Member
TJ Dinsmore, Committee Member
Commissioner Ryan Anderson, Committee Member
Commissioner Julie Sande, Committee Member - excused

Staff present:

Christy Terry, Kristen Gratrix, Bill O'Leary, Jennifer Mergens, David Greenhalgh, Brian Lindamood, Michelle Maddox, Andy Behrend, Clark Hopp, LaFew Knox, Meghan Clemens, Lorine Hall, Amy Kinnaman, Tina Sellers Wareham

Professional Advisors:

Eric Whaley – Bank of America
Hope Scarpinato – PFM Advisors
Dacia Haddad – Eckert Seamans
Robert Tuteur – Eckert Seamans
David Grossklaus- Dorsey & Whitney, LLP

No members of the public were present:

Chair Binkley called the meeting to order at 2:00 p.m. and turned the meeting over to Mr. O'Leary. Mr. O'Leary stated that staff believed the Committee might wish to go into Executive Session to discuss confidential financial and legal matters related to the resolutions being presented. Mr. O'Leary summarized the corporation's efforts to obtain a new Seward Cruise Dock and Terminal. He provided a brief history of prior agreements brought to and approved by the Board of Directors in support of the project. Mr. O'Leary shared that some of the documents being brought before the committee modify the prior agreements in conjunction with new agreements and other documents associated with ARRC's proposed issuance of tax-exempt debt to be used to finance the new purchase of the new Seward Dock and Terminal facilities.

Mr. O'Leary introduced the guests present that would be part of the Executive Session and then asked Ms. Terry to provide a construction update. Ms. Terry shared that construction of the new terminal is continuing ahead of schedule. Ms. Terry stated that she participated in a stakeholder meeting the day previous for the Environmental Protection Agency (EPA) Shore Power Grant, which is moving forward as planned. Ms. Terry shared that Turnagain Marine had received the permitting to demolish the existing dock which will occur on September 22nd after the departure of the last scheduled cruise vessel of the 2025 season. Construction materials such as trusses and beams are being delivered on site.

Committee Chair Binkley asked if there was a motion to enter Executive Session. Committee Member Shively so moved and Committee Member Dinsmore seconded the motion. At 2:12 p.m. the meeting was moved into Executive Session. The regular session resumed at 2:46 p.m.

Committee Member Dinsmore moved that the Committee recommend to the full Board that it approve Resolution No. 2025–21, Resolution No. 2025-22 and Resolution No. 2025-23 during the Special Board Meeting scheduled for July 11th. Committee Member Reeves seconded the motion. The motion was approved without discussion or objection.

Committee Member Petry moved that the meeting be adjourned and Director Shively seconded the motion. The meeting was adjourned at 2:47 p.m.



Alaska Railroad Corporation Board of Directors Real Estate Committee Notes

Date: September 11, 2025

Time: 8:30 a.m.

Location: Hybrid Meeting

Board Members:

John Binkley, Committee Chair
John Shively, Committee Member
John Reeves, Committee Member
Judy Petry, Committee Member
TJ Dinsmore, Committee Member
Commissioner Ryan Anderson, Committee Member
Commissioner Julie Sande, Committee Member

Staff present:

Christy Terry, Andy Donovan, Kristen Gratrix, Kellyan Taylor, Bill O'Leary, Jennifer Mergens, David Greenhalgh, Brian Lindamood, Michelle Maddox, Andy Behrend, Clark Hopp, LaFew Knox, Meghan Clemens, Lorine Hall, Shaughn Lazaros, Kate Dueber, Amy Kinnaman

Members of the Public Present:

Governor Dunleavy (9:00 – 9:30 am attended Alaska Industrial Development and Export Authority (AIDEA) Work Session)
Jesse Peterson, HDR
Representative Chuck Kopp
Cherie Curry, Winfluence Strategies, LLC
Q Smyth
Ely Cyrus
Maggie Shade
Fernanda Conrad
John Tichotsky
David Borg, Whittier Harbormaster
Jackie Wilde, City Manager – City of Whittier
Dana Pruhs, AIDEA Board Chair
Bill Kendig, AIDEA Board Vice Chair
Albert Fogle, AIDEA Board Member
Bill Vivlamore, AIDEA Board Member
Randy Ruaro, AIDEA Executive Director
Brandon Brefczynski, Deputy Director
Geoff Johns, Chief Investment Officer

Raymie Hamann, AIDEA
Robyn Reyes, AIDEA
Dave Stieren, AIDEA
Kent Sullivan, AIDEA General Counsel
Tiffany Janssen, Chief Lending Officer
Randy (no last name indicated)
Paul (no last name indicated)

Chair Binkley called the meeting to order at 8:30 a.m. and asked for approval of the agenda. Board Chair Shively moved to amend the Committee Agenda to postpone Resolution No. 2025-24 to the November Board Meeting to allow for an update to the resolution. He confirmed his support for naming the new Seward Terminal building in recognition of Dale Lindsey, but also stated that he supported expanding the recognition to include Mr. Lindsey's wife Carol Ann. The motion was seconded, there was no objection or discussion and Resolution No. 2025-24 was tabled until the November meeting.

Public comment:

Whittier City Manager Jackie Wilde requested that the Board of Directors consider Proposal Number 2 submitted by the City of Whittier under the Land Transfer MOU with ARRC.

Customer Communication:

Chair Binkley turned the meeting over to Vice President, Real Estate Christy Terry. Ms. Terry shared that there is continued customer interest for property at the Birchwood railyard. She noted that the Odom building rezone/replat proceeding continues at the Anchorage Assembly. Another item of interest is a site on Spar Avenue which is currently occupied by a soil remediation company that is closing out its permit with a new customer in the same line of business taking over the site.

In July, the first volume of the Real Estate Express newsletter was published, with the second volume due in November. To highlight one item, the July Fairbanks customer event, while not as heavily attended as anticipated, was successful and Real Estate will build on this year's event to increase attendance in 2026. The newsletter will be published twice a year.

Contracts to be presented to the Board of Directors for consideration:

Resolution No. 2025-24 – Relating to Naming of the New “DALE R. LINDSEY ALASKA RAILROAD TERMINAL” in Seward, Alaska.

As described in greater detail earlier in these notes, this resolution was postponed to be brought to the November Board meeting in order to update the resolution to include Carol Ann Lindsey in the naming of the New Seward Cruise Terminal.

Contact No. 21196 – State of Alaska, DOT & PF – Seward Reserve

Ms. Terry shared that the State of Alaska, DOT & PF is requesting a 55-year term ground lease, while reducing the size of the leased premises they currently hold at the Seward Airport. The proposed consideration to ARRC for the renewal of the ground lease would take the form of a long-term easement in favor of ARRC with respect to traffic on DOT&PF's Seward Airport property to and via portions of Airport Road for traffic entering and leaving the ARRC Terminal Reserve. Such traffic would include, but not limited to, traffic from ARRC's Port Facility. Such an easement will result in efficient access and traffic flow for users of both the Airport and the ARRC Seward Port Facility, all as recognized in a Memorandum of Understanding between ARRC and DOT&PF dated October 30, 2023.

The Committee recommended Board approval.

Contact No. 21213 – Alaska United Fiber System Partnership – ROW

This contract would cover an existing fiber line installed in 1998 running from Whittier to Powerline Pass in Indian. The fiber line currently is permitted to a GCI entity under ARRC Permit No. 7360. The permittee has requested a new permit with a 25-year term.

The Committee recommended Board approval.

Contact No. 21222 – WAC Holdings, LLC. – Anchorage

The existing lessee, known more commonly as Wrightway Auto, has been a railroad customer since at least the 1970s, and currently leases the property under a ground lease for a term of twenty-five (25) years. The current lease is due to expire February 28, 2028 and the lessee is requesting a new thirty-five (35)-year ground lease. Lessee plans to remove the existing modular office building and replace it with a new office building.

The Committee recommended Board approval.

Contact No. 21223 – Alaxsxaq, LLC – Anchorage

The current occupant, more commonly known as Anchorage Trolley, holds a Special Land Use Permit for a term of five (5) years. Anchorage Trolley intends to construct a \$1.5 million building on the premises.

The Committee recommended Board approval.

Contact No. 21225 – SNAP Investments, LLC – Anchorage

This is a new lease for the property containing the existing Subway restaurant in Government Hill. The prospective lessee is currently purchasing the existing

improvements from the current lessee. The proposed new use will be a Little Caesars franchise restaurant.

The Committee recommended Board approval.

Chair Shively requested that the public notice comment period for new leases close at least a week before the Board meetings going forward.

Alaska Industrial Development and Export Authority (AIDEA) Work Session

Following the discussion of the foregoing contracts, the Committee began a joint session with AIDEA, which reconvened at meeting that it had begun on September 10, 2025.

Special guest Governor Dunleavy opened the session calling for ARRC and AIDEA to work diligently together to make the Port Mackenzie Rail Extension (PMRE) a reality as it is a critical piece of the pending Trans-Alaska Liquid Natural Gas (LNG) pipeline. He noted that the pipeline project will be a generational legacy project for Alaska and its citizens.

There was discussion between Committee members, AIDEA Board Members and the CEOs of both ARRC and AIDEA, and it was decided that they would develop a working group that will meet every other week to discuss and plan the PMRE project.

AIDEA then adjourned its meeting. The regular session of the ARRC Real Estate meeting resumed at 10 a.m.

Seward

Dock Traffic

In addition to normal dock traffic this time of year, Ms. Terry shared that, in addition to other military vessels, the new USCG ice breaker Storis docked in Seward and held community tours. The ice breaker has previously been to Seward under a different name and paint scheme.

Ms. Terry stated that some of the recent cruise ships have come to port early, adding docking days due to bad weather.

Passenger Dock and Terminal Project

Ms. Terry shared with the group a slide show that she provided during a project update to the community of Seward. Chair Binkley thanked Ms. Terry for doing such a good job keep the Board apprised of project updates. Ms. Terry also shared that ARRC will host a community event on September 18, prior to the demolition of the current terminal.

The event will be to share memories and say goodbye to the existing terminal building, as it has been used as a community event hall throughout the years.

Whittier

Whittier Seafoods Update

The assets of Whittier Seafoods, which had filed for bankruptcy, were sold to The Alaska Wild Seafoods, LLC. The transaction documents have all been executed and we anticipate them to be operational in 2026.

City of Whittier Waterfront Plan

The City of Whittier's Waterfront Plan is complete and it is anticipated to be published in the weeks to come.

DOT City of Whittier Transportation Master Plan

Ms. Terry stated that Ms. Clemens participates as a stakeholder in the DOT Whittier Moves Master Plan for transportation systems including the Anton Anderson Tunnel.

Anchorage

Alaska Industrial Paint (AIP)

Ms. Terry shared that AIP, an existing customer, plans to apply for a long-term lease for 1300 North Post Road, where the customer currently occupies the site under a 5-year ground lease.

Humanities Office Relocation

Ms. Terry relayed that the Alaska Humanities Forum, a customer that had recently occupied half of the second floor office space of the Anchorage Historical Depot, is reducing its leased premises to a smaller size due to budget cuts.

Westwood Properties Lease Expansion

Ms. Terry shared that there was recent interest in a small portion of land in the Anchorage Reserve. Before agreeing to lease the small parcel to the interested party, the parcel was offered to the adjacent lessee, who decided to apply to add the additional land to their existing lease. That application will be brought before the Board in November.

49th State Brewing @ The Rail

Ms. Terry shared that the tasting room at the brewery on Depot Drive is open. The customer is holding this year's annual Oktoberfest event, which is normally held at their 3rd Avenue location, at the Depot Drive location. There will also be a race held by Skinny

Raven. These events will be held in support of activating the pedestrian use of the Ship Creek Planned Community (PC) District. These events also will provide good activation for the parcels with the newly extended Depot Drive.

Matanuska-Susitna Borough

Port MacKenzie Rail Extension

Ms. Terry shared that she and Mr. Lindamood attended stakeholder meetings and public open house tours at the Port MacKenzie facility that were hosted by the Port and Assistant Port Managers.

Fairbanks

September 24, 2025 Fairbanks Reserve Tour

Ms. Terry offered to take the Committee Members on a property tour of the Fairbanks Reserve prior to the dinner planned on September 24th in conjunction with the next day's ARRC Board meeting. The tour will occur at 5:30 p.m.

Phillips Property Purchase

Ms. Terry shared with the group that the Phillips Property purchase is moving forward. We are currently waiting on receiving Estoppel Certificates from current occupants. Our Environmental Engineer has inspected the property and has not found any surprises. Currently the closing is scheduled to occur before September 30, 2025.

Chena Trail

Ms. Terry shared that the conversation regarding the Chena Trail continues consistent with direction from the Board. Ms. Gratrix will attend a meeting in Fairbanks later this month to discuss options going forward that meet all parties' requirements.

A motion was made and seconded to move the Committee Meeting into Executive Session to discuss a potential confidential financial and legal matters pertaining to the negotiations of a potential City of Whittier and ARRC real estate transaction. The motion passed without discussion or objection and the Committee Meeting moved into Executive Session at 10:21 a.m.

At 10:48 a.m. the meeting was moved back into public session.

There was further discussion regarding the importance of the PMRE project.

Committee Member Shively moved that the meeting be adjourned and Committee Member Petry seconded the motion. The meeting was adjourned at 10:56 a.m.

ARRC BOARD OF DIRECTORS MEETING EXECUTIVE SESSION AGENDA

X. NEW BUSINESS

C. Executive Session Briefings

Thursday, September 25, 2025

1. Contracts, Claims, Litigation, Personnel and Financial Matters
2. Administrative Order 360
3. Seward Passenger Dock Project Update
4. Port MacKenzie Rail Extension Update
5. Legislative Update
6. Business Development Report

All Matters Are Confidential. Public Members will be moved into a private waiting room and rejoined when public session reconvenes.

X. NEW BUSINESS

D. Adoption of Consent Agenda

- 1. Resolution No. 2025-25 Relating to an Increase in Funding for the Purchase of a New Wheel Lathe (AFE No. 11313 S-1)**
- 2. Resolution No. 2025-26 Relating to Final Design and Procurement for the Completion of the Port MacKenzie Rail Extension Project (AFE No. 11397)**
- 3. Resolution No. 2025-27 Relating to Increased Funding for 2025 Passenger Car Rehabilitation Program (AFE No. 11318-S1)**
- 4. Resolution No. 2025-28 Relating to Increased Funding for the 2024 Portage Tunnel Rehabilitation Project (AFE No. 11204-S1)**
- 5. Resolution No. 2025-29 Relating to Increased Funding for the 2024 FTA Complex Culvert Program (AFE No. 11193-S1)**
- 6. Resolution No. 2025-30 Relating to Increased Funding for the 2025 FTA Track Rehabilitation Program (AFE No. 11308-S1)**
- 7. Contract No. 21213 - Alaska United Fiber System Partnership - (Anchorage)**
- 8. Contract No. 21196 – State of Alaska, DOT & PF - (Seward)**
- 9. Contract No. 21222 – WAC Holdings, LLC. - (Anchorage Reserve)**
- 10. Contract No. 21223 - Alaxsxaq - (Anchorage Reserve)**
- 11. Contract No. 21225 – Snap Investments, LLC. - (Anchorage Reserve)**

Adopted:

Resolution No. 2025-25

Relating to an Increase in Funding for the
Purchase of a New Wheel Lathe (AFE No.
11313 S-1)

WHEREAS, the Alaska Railroad Corporation (ARRC) maintains a wheel shop, a key component of which is a wheel lathe used to resurface and/or reprofile the wheels of rail cars to restore wheel shape, repair damage and ensure safe and efficient rail operations; and

WHEREAS, ARRC's current wheel lathe, which was already a used unit when it was originally purchased more than 35 years ago, is worn out and subject to periodic breakdowns; and

WHEREAS, it is almost impossible to obtain parts for the current wheel lathe when it breaks down, necessitating ARRC to have the parts custom machined, a process that has taken several months during each of the previous two breakdowns; and

WHEREAS, the inability to operate the wheel lathe during breakdowns has caused ARRC to run out of usable wheels, with the result that ARRC has multiple railcars out-of-service and therefore in non-revenue status; and

WHEREAS, a fully operational and repairable wheel lathe is critical to ARRC's wheel shop and its ability to serve its customers; and

WHEREAS, ARRC has determined that a new CNC wheel lathe would increase productivity substantially, while drastically reducing set-up time and human error; and

WHEREAS, on November 14, 2024, the Board approved AFE No. 11313 as part of ARRC's 2025 Capital Budget, which provided funding in the amount of \$2,250,000 in FTA grant funds, consisting of 80% FTA funds in the amount of \$1,800,000 and 20% ARRC internal funds in the amount of \$450,000, for the purchase of a new CNC wheel lathe; and

WHEREAS, the equipment cost budgeted for purchasing the new CNC wheel lathe in 2025 was based on a 2024 quote, and the quote for that equipment has increased since November 2024; and

WHEREAS, AFE No. 11313 S-1 adds \$390,000 in FTA grant funds, consisting of 80% FTA funds in the amount of \$312,000 and 20% ARRC internal funds in the amount of \$78,000, to fund the purchase of the new CNC wheel lathe; and

WHEREAS, the authority of ARRC's President & Chief Executive Officer to approve an unbudgeted capital expenditure is limited to matters with an estimated total cost of no more than \$300,000, with higher estimated cost matters requiring Board approval pursuant to ARRC's Approval Authority Guide.

NOW, THEREFORE, BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed funding increase for the acquisition of a new wheel lathe as presented by ARRC Management and hereby approves AFE No. 11313 S-1 in the amount of \$390,000, bringing the total amount of AFE No. 11313 to \$2,640,000, consisting of 80% FTA funds in the amount of \$2,112,000 and 20% ARRC internal funds in the amount of \$528,000.

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11313 S1

Page 1

General Information:	
AFE Title:	Wheel Lathe 2025 FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	Mechanical
Resp. Center (#):	1225
Depreciation Center:	1262-Heavy Equipment Shop
Line of Business:	Transportation/Mechanical
Spending Timetable:	
2026	\$ 750,000
2027	\$ 1,890,000
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 2,640,000
Other Information	
Useful Life (Years):	50
Annual Depreciation:	\$ 52,800
Estimated Annual Operating Costs	\$ 1,000.00

Included in Capital Budget:		
Capital Budget	Year:	2025 Budgeted
Total Amount	\$	2,640,000
Source of Funding	FTA (80%)	\$ 2,112,000
Source of Funding	ARRC (20%)	\$ 528,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 2,250,000	11/27/24
Supplemental #1	\$ 390,000	08/21/25
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 2,640,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Bryan Cothren	<i>Bryan Cothren</i>	9/17/2025
Responsible Owner:	Lloyd Tesch	<i>Lloyd Tesch</i>	9/17/2025
Department Owner	Lloyd Tesch	<i>Lloyd Tesch</i>	9/17/2025
Functional User(s):	Bryan Cothren	<i>Bryan Cothren</i>	9/17/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	9/17/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	9/17/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	9/17/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	9/17/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	9/17/2025
Board of Directors:	John Shively		

Original Form Must Be Returned to Accounting

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11313 S1

Page 2

Is this project related to health and/or safety?	No	If yes describe:
Scope of Work: Replace old wheel lathe with new CNC wheel lathe. Acquire new wheel lathe. Supplemental No. 1 is to increase the budget by \$390,000. The 2025 Capital Project is approved for \$2,250,000, and additional funding of \$390,000 is needed for a total budget of \$2,640,000. The equipment costs budgeted for 2025 was based on last year's quote, which has since gone up. There is only one company within the US that provides the equipment requested. The additional funding includes administrative support through completion. Cost Breakdown 2,496,805.00 Wheel Lathe 50,000.00 Contract Labor 40,000.00 Facilities 20,000.00 Disposal 23,195.00 Mechanical 2,630,000.00 Est. Total for Equipment and Installation/Disposal 10,000.00 Est. PM & PA Time 2,640,000.00 Total for Project Completion		

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Adopted:

Resolution No. 2025-26

Relating to Final Design and Procurement for the Completion of the Port MacKenzie Rail Extension Project (AFE No. 11397)

WHEREAS, the Alaska Railroad Corporation (ARRC) is an economic engine and backbone for Alaska's transportation infrastructure, hauling millions of tons of freight per year and providing critical support for resource industries such as petroleum, coal, and gravel; and

WHEREAS, the State of Alaska needs to diversify and strengthen its economy and an effective transportation system facilitates such diversification; and

WHEREAS, in June 2007, the Alaska Railroad Corporation (ARRC) and Mat-Su Borough (MSB) signed a Memorandum of Agreement to pursue environmental work, engineering, and alternative analysis in support of the federal Surface Transportation Board (STB) environmental document for a 32-mile rail line from Houston, Alaska, to Port MacKenzie, which project is referred to as the Port MacKenzie Rail Extension (PMRE); and

WHEREAS, the ARRC serves ports in Seward, Whittier and Anchorage, and the rail connection to Port MacKenzie with a deep-draft dock and 9,000 acres of industrial zoned land is a logical next step in enhancing the State's transportation capacity for bulk natural resources; and

WHEREAS, MSB served as the Project Sponsor for the PMRE, with ARRC responsible for rail-related technical expertise, environmental approval and project management; and

WHEREAS, when complete, the PMRE likely would operate as part of the Alaska Railroad system; and

WHEREAS, in 2011 ARRC received approval from the federal Surface Transportation Board to construct and operate PMRE; and

WHEREAS, the PMRE will foster development of Alaska's economy by providing year-round freight service to Port MacKenzie as a deep-water port to support businesses and the military, including existing industries in the mining and petrochemical sectors across the state; and

WHEREAS, the PMRE would provide substantial benefits to the planned natural gas pipeline project to connect North Slope gas to tidewater by optimizing logistics for construction of that massive and critical legacy infrastructure project; and

WHEREAS, the PMRE enhances the resiliency of Southcentral Alaska's supply chain infrastructure by improving access to Port MacKenzie, reducing the distance to tidewater for Interior shippers, and providing redundancy for the Don Young Port of Alaska; and

WHEREAS, ARRC has completed all significant bridge and embankment work for Segments 1, 3, 4, 5, and 6; and

WHEREAS, completion of further segments and components of the PMRE, including segments 2, 7 and 8, terminal facilities and environmental mitigation, would provide the additional infrastructure benefits described above to the State and its communities, citizens and business interests, as well as to the United States military; and

WHEREAS, ARRC lacks the substantial funding necessary to complete additional segments of the PMRE but continues to support the completion of the full PMRE; and

WHEREAS, the ARRC Board of Directors, at its general meeting of March 29, 2024, approved Resolution No. 2024-08, which directed ARRC Management Staff to provide information and cooperation to entities seeking to provide or obtain funding for the remaining segments of the PMRE; and

WHEREAS, AFE No. 11397 would authorize the expenditure of \$400,000 in internal ARRC funds to fund the completion of engineering and procurement execution planning for the remaining segments and other components of the PMRE scope of work, with the understanding that other parties will develop the plans, specifications and bid schedules and obtain funding associated with completing the overall PMRE project; and

NOW, THEREFORE, BE IT RESOLVED, that the ARRC Board of Directors continues to strongly support the completion of the remaining segments and components of the PMRE from Houston, Alaska to Port MacKenzie, if funding for planning, engineering, environmental compliance and construction for such phases can be obtained.

BE IT FURTHER RESOLVED that the Board of Directors hereby approves AFE No. 11397 in the amount of \$400,000 to fund engineering and procurement planning efforts for the remaining segments and other components of the PMRE scope of work, with the understanding that other parties will develop the plans, specifications and bid schedules and obtain funding associated with completing the overall PMRE project. The Board further authorizes the President and CEO, or his designee to finalize and execute all documents necessary to complete such engineering and procurement. In addition, the Board directs ARRC Management staff to continue providing information and cooperation to entities seeking to provide or obtain funding for the remaining segments of the PMRE.



ALASKA RAILROAD CORPORATION

September 11, 2025

MEMORANDUM

To: All Concerned

From: Brian Lindamood
Vice President, Chief Engineer

Subject: Delegation of Authority

I will be out of the office September 12th through September 21st, returning to the office September 23rd, 2025. During this time, I delegate my duties and responsibilities as outlined in the Approval Authority Guide to Blake Adolfae, Director, Capital Projects. Please contact him at 907/265-2662 if you need immediate assistance.

Cc: Accounts Payable
Payroll

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11397

Page 1

General Information:	
AFE Title:	Port Mackenzie Rail Extension Final Design & Procurement
Prepared By:	Blake Adolfae
Resp. Center (Name):	Capital Projects
Resp. Center (#):	2200
Depreciation Center:	2200-Engineering
Line of Business:	Corporate
Spending Timetable:	
2025	\$ 400,000
2026	\$ -
2027	\$ -
2028	\$ -
2029	\$ -
Total	\$ 400,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 80,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2025 Unbudgeted
Total Amount	\$	400,000
Source of Funding	ARRC (100%)	\$ 400,000
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number	N/A	
Grant Name	N/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 400,000	09/02/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 400,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Blake Adolfae	<i>Blake Adolfae</i>	9/17/2025
Responsible Owner:	Lloyd Tesch	<i>Lloyd Tesch</i>	9/17/2025
VP, Owner Department:	Brian Lindamood	<i>Blake Adolfae</i>	9/17/2025
Functional User(s):	Andy Burgess	<i>Andrew Burgess</i>	9/17/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	9/17/2025
Grant Administration:	Christina Isabelle	N/A	
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	9/17/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	9/17/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	9/17/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11397

Page 2

Is this project related to health and/or safety?	No	If yes describe:
Scope of Work: The PMRE is a multiphase project to construct a 32 mile rail line from the Houston, AK area to the port at Point Mackenzie, AK in the Matanuska Susitna Borough. The project has 8 segments of which 5 have been constructed. Work remaining to finish the rail extension includes completing 3 segments. Work on the rail extension project which was paused in 2017, the project has been dormant since. The last design the project was performed in 2016. ARRC tasks to complete the engineering work and procurement plan for the remaining segments of the PMRE scope of work: •Segment 2 – Rail embankment, bridge over Reddane Rd., train yard procurement •Segment 7a – Communications package including fiber, south tower, terminal facilities procurement •Segment 7b – Sub-ballast (D1) furnish and install, BMBF loop embankment completion procurement •Segment 8 – Track construction, ties, rail, ballast procurement •Terminal Facilities – Segment 2 Terminal Facilities Design & Construction procurement •Environmental Mitigation – Project Wide Environmental and Moose Mitigation procurement Task Objectives: Update plans and specifications for each segment in order to put out for competitive bid. Available Information Basis of budget was formulated based upon plans, specs, and bid schedules developed by others. Each segment has a different level of design that was used as the primary basis of determining cost. •Segment 2 – 90% design level •Segment 7A (Telecommunications) – 30% design level •Segment 7B (Sub-ballast and grade prep) – 90% design level •Segment 8 – 10% design level •Terminal Facilities – 10% design level •Environmental Mitigation – 10% design level		
ARRC Business Justification		
The level of design and procurement must be completed in order to successfully start the project. The plans, specs, and bid schedules developed by others. Each segment has a different level of design that was used as the primary basis of determining cost to complete the design and procurement.		
Alternatives Considered:		
N/A		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	-
Labor (Fully Burdened)	\$	85,000
Materials	\$	-
Contracts	\$	315,000
Other Expenses	\$	-
Total	\$	400,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Adopted:

Resolution No. 2025-27

Relating to Increased Funding for 2025
Passenger Car Rehabilitation Program
(AFE No. 11318 S-1)

WHEREAS, the Alaska Railroad Corporation (ARRC) must maintain in-service passenger equipment to the operational and safety standards required in the Federal Transit Administration's Fleet Management Plan, ARRC's Preventative Maintenance Plan, and in accordance with Federal Railroad Administration regulations; and

WHEREAS, ARRC's Passenger Car Rehabilitation Program ensures that passenger rolling stock is safe and in good operating condition to support passenger rail service; and

WHEREAS, the ARRC Board of Directors on November 14, 2024, approved AFE No. 11318, which authorized the expenditure of \$1,600,000 to perform capital maintenance work on 26 passenger cars, including truck rebuilds, external painting, HVAC conversions and repairs, galley equipment updates, new interior surfaces, seat covers, carpeting and subfloor replacement, with 80% FTA funds in the amount of \$1,280,000 and 20% ARRC internal funds in the amount of \$320,000; and

WHEREAS, subsequent to the initial approval of AFE No. 11318, additional critical passenger car rehabilitation work was identified, including work on additional 15 passenger cars; and

WHEREAS such additional work includes a power car conversion to address growing needs and issues associated with HEP (head end power) to our passenger locomotives, as well as emergency battery replacements, PA component replacement, new interior surfaces, seat cover replacement, carpeting and subfloor replacement, and general repairs and new seats for two Goldstar Dome cars; and

WHEREAS, AFE No. 11318 S-1 would increase the funding for the 2025 Passenger Car Rehabilitation Program by \$1,500,000, with 80% FTA funds in the amount of \$1,200,000 and 20% ARRC internal funds in the amount of \$300,000, thereby increasing the overall amount of AFE No. 11318 to \$3,100,000, with 80% FTA funds in the amount of \$2,480,000 and 20% internal ARRC funds in the amount of \$620,000; and

WHEREAS, ARRC's Approval Authority Guide requires Board approval of unbudgeted capital expenditures in excess of \$300,000; and

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed increase in funding for the 2025 Passenger Car Rehabilitation Program as presented by ARRC Management and hereby approves AFE No. 11318 S-1 in the amount of \$1,500,000 for the purposes stated therein, which brings the total amount of AFE No. 11318 to \$3,100,000.

Alaska Railroad Corporation**Authorization for Expenditure Form**

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AFE 11318 S-1

Page 1

General Information:	
AFE Title:	2025 Passenger Car Rehabilitation Program - FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	Passenger Car Shop
Resp. Center (#):	1243
Depreciation Center:	1243-Passenger Car Repair
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 1,600,000
2027	\$ 1,500,000
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 3,100,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 124,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2025 Budgeted
Total Amount	\$	3,100,000
Source of Funding	FTA (80%)	\$ 2,480,000
Source of Funding	ARRC (20%)	\$ 620,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,600,000	11/07/24
Supplemental #1	\$ 1,500,000	09/02/25
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 3,100,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Cody Lourie	<i>Blake Adolfae</i>	9/17/2025
Responsible Owner:	Mark Baehm	<i>Mark Baehm</i>	9/17/2025
VP, Owner Department:	Lloyd Tesch	<i>Lloyd Tesch</i>	9/17/2025
Functional User(s):	Tucker Remley	<i>Tucker Remley</i>	9/17/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	9/17/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	9/17/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	9/17/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	9/17/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	9/17/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation**Authorization for Expenditure Form**

For Accounting Use Only

AFE# 11318 S-1

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
The ARRC may face the risk of minor or major injury to a passenger or employee if maintenance items are not corrected or kept in a state of good repair. ARRC Passenger capital team is focused on capital investments that also reduce risk to the contractors and ARRC employees charged with maintaining the equipment.		
Scope of Work:		
The program includes work on 26 passenger cars, and includes two 40-year truck rebuilds, external painting of three coaches, HVAC conversions and repairs, galley equipment updates, new interior surfaces, seat covers, carpeting and subfloor replacement and repairs. Supplemental No.1 increases funding by \$1.5M to address additional scope. Project work includes a power car conversion, and working on 15 passenger cars which includes emergency battery replacements, PA component replacement, new interior surfaces, seat cover replacement, carpeting and subfloor replacement, general repairs and new seats for two Goldstar Domes. Approximately \$1M of the requested increase will support a power car conversion of GP38 into a power car. This work is expected to include the removal of the prime mover in a GP38, along with the generator and ancillary equipment, and add back a parallel generator system to provide power to ARRC coaches.		
ARRC Business Justification		
The rolling 5-year rehabilitation plan is the result of the Marketing and Sales business unit along with the Mechanical Department working together with the Project Manager to ensure the plan is complete and prioritized on an on-going basis. This program maintains, rehabilitates and replenishes ARRC passenger car assets. All investments are focused on providing materials that meet the customers needs, provide longevity and extended replacement cycle periods. Funding is requested in accordance with the rolling 5-year rehabilitation plan and is consistent with 20 year TAM prioritization based on equipment condition assessments. The scope of the work may change based on work reprioritization. Supplemental No.1 will address growing issues associated with HEP (Head End Power) to our passenger locomotives. General maintenance associated with supporting our SD70 Locomotive Fleet has become more problematic and expensive. This project is expected to supplement our HEP capabilities and increase locomotive utilization. This proof of concept would remove the oldest locomotive in our fleet and convert it to a power car to provide HEP. This will allow the existing HEP equipped locomotives to use their entire tractive effort toward pulling the train consist, and allow flexibility in assigning locomotives to passenger duties. Additionally, ARRC will realize fuel savings by using smaller more efficient modular motors to drive the generators, as well as build in redundancy. The work on the 15 passenger cars will support capital maintenance addressed in the ARRC 5-Year Rehabilitation Program.		
Alternatives Considered:		
None. Continuing capital maintenance ensures passenger rolling stock is in safe and in good operating condition to support passenger rail services.		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	3,000
Labor (Fully Burdened)	\$	532,492
Materials	\$	1,991,444
Contracts	\$	547,000
Other Expenses	\$	26,064
Total	\$	3,100,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Adopted:

Resolution No. 2025-28

Relating to Increased Funding for the
2024 Portage Tunnel Rehabilitation
Project (AFE No. 11204 S-1)

WHEREAS, the Alaska Railroad Corporation (ARRC) rail system includes a tunnel located at on the Whittier Branch line at Milepost F5.8 (the “Portage Tunnel”); and

WHEREAS, persistent freeze-thaw conditions within the Portage Tunnel have caused continuous degradation of the tunnel walls resulting in hazardous rockfall conditions that pose the potential for rockfall strikes to rolling stock, passengers, and rail workers, which could result in significant property damage, injuries and/or deaths; and

WHEREAS, other hazards resulting from the current tunnel conditions include potential derailments due to ice buildup, danger from large falling ice masses and decreased clearances for on-track equipment; and

WHEREAS, the Portage Tunnel’s portal structures have reached the end of their useful lives and are in a state of disrepair and need replacement; and

WHEREAS, ARRC has developed a multi-phased approach to addressing the above-described issues experienced in connection with the Portage Tunnel which will include work on structures, doors, clearance envelopes, liners and multi-plate; and

WHEREAS, the Board of Directors previously approved funding for a portion of the work associated with the multi-phased approach to the Portage Tunnel described above, as set forth in AFE No. 11204 in the amount of \$585,000, consisting of 80% FTA funds in the amount of \$468,000 and 20% internal ARRC funds in the amount of \$117,000, which was approved by Resolution No. 2023-27 Relating to Approval of the 2024 Capital Budget, at the November 14, 2023 Board meeting; and

WHEREAS, work to complete the final design of the Portage Tunnel portals requires additional funding due to higher-than-expected design and engineering fees associated with the required clearance envelope; and

WHEREAS, proposed AFE No. 11204 S-1 would increase AFE No. 11204 by \$562,000, consisting of 80% FTA funds in the amount of \$449,600 and 20% ARRC internal funds in the amount of \$112,400 in order to supplement the funding of the ARRC's Portage Tunnel Rehabilitation Project; and

WHEREAS, ARRC's Approval Authority Guide requires Board approval of unbudgeted capital expenditures in excess of \$300,000; and

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed increase in funding for the Portage Tunnel Rehabilitation Project as presented by ARRC Management and hereby approves AFE No. 11204 S-1 in the amount of \$562,000 for the purposes stated therein, which brings the total amount of AFE No. 11204 to \$1,147,000.



ALASKA RAILROAD CORPORATION

September 11, 2025

MEMORANDUM

To: All Concerned

From: Brian Lindamood
Vice President, Chief Engineer

Subject: Delegation of Authority

I will be out of the office September 12th through September 21st, returning to the office September 23rd, 2025. During this time, I delegate my duties and responsibilities as outlined in the Approval Authority Guide to Blake Adolfae, Director, Capital Projects. Please contact him at 907/265-2662 if you need immediate assistance.

Cc: Accounts Payable
Payroll

Alaska Railroad Corporation
Authorization for Expenditure Form

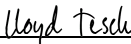
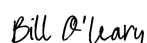
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AFE# 11204 S-1

Page 1

General Information:	
AFE Title:	2024 Portage Tunnel F5.8 Rehab
Prepared By:	LaFewt Knox
Resp. Center (Name):	Capital Projects
Resp. Center (#):	1318
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Engineering
Spending Timetable:	
2025	\$ 585,000
2026	\$ 562,000
2027	\$ -
2028	\$ -
2029	\$ -
Total	\$ 1,147,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 45,880
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2024 Budgeted
Total Amount	\$	1,147,000
Source of Funding	ARRC	\$ 229,400
Source of Funding	FTA	\$ 917,600
Source of Funding		\$ -
Grant Number		
Grant Name		
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 585,000	11/05/23
Supplemental #1	\$ 562,000	09/04/25
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,147,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Gabriel Thomas		9/17/2025
Responsible Owner:	Lloyd Tesch		9/17/2025
VP, Owner Department:	Brian Lindamood		9/17/2025
Functional User(s):	Lloyd Tesch		9/17/2025
Chief Operating Officer:	Clark Hopp		9/17/2025
Grant Administration:	Christina Isabelle		9/17/2025
Chief Financial Officer:	Michelle Maddox		9/17/2025
Accounting Department:	Amy Kinnaman		9/17/2025
CEO & President:	Bill O'Leary		9/17/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation

Authorization for Expenditure Form

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AFE# 11204 S-1

Is this project related to health and/or safety?	Yes	If yes describe:										
The persistent freeze-thaw conditions within the Portage tunnel results in the continuous degradation to the tunnel walls resulting in subsequent rockfall hazards. This situation creates the potential for rockfall strikes to rolling stock, passengers, and workers that could result in minor to serious injuries or death. Other notable hazards resulting from the current tunnel conditions include; potential derailments due to ice buildup, large falling ice masses, and decreased clearances due to new ice buildup. The portal structures have also reached the end of their useful lives and are in a state of disrepair and need of replacement.												
Scope of Work:												
Improvements will be implemented in the Portage Tunnel using a multi-phased approach as described below. 2024's project scope will complete Preliminary and Final Engineering for project. This includes work on structures, doors, clearance envelope, liner and multi-plate. <u>Portal Structures (Existing Door 3 & 4 portals)</u> -Complete final design on the portal structures at Doors 3 & 4. -These structures will be designed to accommodate either an increased crown or a lowered grade and can withstand the impacts of avalanches. -Structures will be constructed with ample room to protect current and future utilities and new automated tunnel doors. Structures will be designed to allow for users to remotely monitor the status of the doors and conditions around the portal. <u>New Automated Tunnel Doors (Increase ambient temp. eliminate manual operation)</u> - Complete final engineering on the new tunnel door systems and the automation processes to reduce tunnel exposure times and eliminate manual operation and associated cost. - Install automated industrial style doors similar to those used on the Whittier Tunnel. - Perform electrical and mechanical improvements as necessary for door operation and automation. <u>Multi-Plate Tunnel Liners & Tunnel Clearance Envelope & Drainage (Reduce ice buildup, channelizes groundwater, reduce maintenance)</u> -Evaluate the existing multi-plate system including its components to determine what must be replaced, maintained, or salvaged within the portage tunnel. -Evaluate the length of existing multi-plate structures to determine if they need to be lengthened or shortened. -Perform repairs or replacements as necessary to the multi-plate structures. -Evaluation and design of tunnel rehabilitation items including tunnel clearance envelopes and positive drainage systems within the tunnel. Tunnel Drainage Systems (channelizes groundwater, reduce maintenance) -Evaluation and design of tunnel rehabilitation items including positive drainage systems within the tunnel. -Evaluate methods for channelization and removal of ground water from within the tunnel and deposition outside of the tunnel. -Develop methods for reduction in tunnel icing at track level, at inlets and outlets and in ditch lines. <u>Phasing</u> 2024: Final Engineering for structures, doors, clearance envelope, liner and multi-plate. 2025-2026: Complete Install/Repair Portal structures and doors. Install and repair tunnel liner and multi-plate systems and expand tunnel clearance envelope and improve drainage Supplemental No.1 increases the budget by \$562K bringing the overall total to \$1.1M. This increase is required to complete the Final Design efforts for the Portage Tunnel Portals. There were higher than expected consultants design & engineering fees associated with the required clearance envelope. <table><tr><th>Project Name</th><th>AFE</th><th>Original Budget</th><th>S1 Increase</th><th>Revised Budget</th></tr><tr><td>F5.8 Portage Tunnel Rehab FD</td><td>11204</td><td>\$ 585,000.00</td><td>\$ 562,000.00</td><td>\$ 1,147,000.00</td></tr></table>			Project Name	AFE	Original Budget	S1 Increase	Revised Budget	F5.8 Portage Tunnel Rehab FD	11204	\$ 585,000.00	\$ 562,000.00	\$ 1,147,000.00
Project Name	AFE	Original Budget	S1 Increase	Revised Budget								
F5.8 Portage Tunnel Rehab FD	11204	\$ 585,000.00	\$ 562,000.00	\$ 1,147,000.00								
ARRC Business Justification												
This project will substantially reduce ongoing maintenance and operational costs associated with the use of the Portage Tunnel. Proper implementation of improvement concepts will eliminate the need for MOW call outs which are currently necessary for opening and closing the tunnel doors. Tunnel maintenance work and associated cost will also be reduced for ice fighting activities and roadbed maintenance. This project will address overdue rehabilitation efforts which will improve track safety and tunnel operational performance.												
Alternatives Considered:												
Do nothing, improve and repair existing multiplate structures, install new doors in a failing portal structure, raise the crown (roof) of the tunnel or lower the grade beneath the track bed within the tunnel, or improve and repair existing portal structures.												
Preliminary Budget:												
Line Description	Amount											
Equipment	\$ 22,000											
Labor (Fully Burdened)	\$ 147,500											
Materials	\$ -											
Contracts	\$ 977,500											
Other Expenses	\$ -											
Total	\$ 1,147,000											

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Adopted:

Resolution No. 2025-29

Relating to Increased Funding for the
2024 FTA Complex Culvert Program
(AFE No. 11193 S-1)

WHEREAS, culvert rehabilitation is essential for ensuring track safety and preventing potential problems caused by failing culverts, such as in-track sinkholes, embankment failures and washouts, saturated railbeds, frost heaving and localized settlement; and

WHEREAS, the proper assessment, prioritization, and rehabilitation of culverts will provide necessary, long-term track safety improvements that will ultimately reduce ARRC's exposure to lost time, lost productivity, train derailments, bodily injury or death, property damage and environmental hazards; and

WHEREAS, the Board of Directors previously approved the use of FTA funds as part of ARRC's 2024 Complex Culvert Program to fund work to associated with rehabilitation of culverts, as set forth in AFE No. 11193 in the amount of \$2,000,000, consisting of 80% FTA funds in the amount of \$1,600,000 and 20% internal ARRC funds in the amount of \$400,000, which was approved by Resolution No. 2023-27 Relating to Approval of the 2024 Capital Budget, at the November 14, 2023 Board meeting; and

WHEREAS, Management has determined that additional funds are needed to accomplish the rehabilitation of culverts under the 2024 FTA Complex Culvert Program due to the bids for the reconstruction of culverts located at MP 66.09 and MP 67.51, which, taken together, came in higher than expected; and

WHEREAS, proposed AFE No. 11193 S-1 would increase AFE No. 11193 by \$643,000, consisting of 80% FTA funds in the amount of \$514,400 and 20% ARRC internal funds in the amount of \$128,600 in order to supplement the funding of the ARRC's culvert rehabilitation work to be done as part of ARRC's 2024 FTA Complex Culvert Program; and

WHEREAS, ARRC's Approval Authority Guide requires Board approval of unbudgeted capital expenditures in excess of \$300,000; and

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed increase in funding for the 2024 FTA Complex Culvert Program as presented by ARRC Management and hereby approves AFE No. 11193 S-1 in the amount of \$643,000 for the purposes stated therein, which brings the total amount of AFE No. 11193 to \$2,643,000.



ALASKA RAILROAD CORPORATION

September 11, 2025

MEMORANDUM

To: All Concerned

From: Brian Lindamood
Vice President, Chief Engineer

Subject: Delegation of Authority

I will be out of the office September 12th through September 21st, returning to the office September 23rd, 2025. During this time, I delegate my duties and responsibilities as outlined in the Approval Authority Guide to Blake Adolfae, Director, Capital Projects. Please contact him at 907/265-2662 if you need immediate assistance.

Cc: Accounts Payable
Payroll

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11193 S1

Page 1

General Information:	
AFE Title:	2024 Complex Culvert Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	Capital Projects
Resp. Center (#):	2200
Depreciation Center:	2200-Engineering
Line of Business:	Engineering
Spending Timetable:	
2024	\$ -
2025	\$ 2,643,000
2026	\$ -
2027	\$ -
2028	\$ -
Total	\$ 2,643,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 105,720
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2024 Budgeted
Total Amount	\$	2,643,000
Source of Funding	FTA (80%)	\$ 2,114,400
Source of Funding	ARRC (20%)	\$ 528,600
Source of Funding		\$ -
Grant Number	Pending	
Grant Name	Pending	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 2,000,000	11/06/23
Supplemental #1	\$ 643,000	07/09/25
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 2,643,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Gabriel Thomas		9/17/2025
Responsible Owner:	Blake Adolfae	<i>Blake Adolfae</i>	9/17/2025
VP, Owner Department:	Brian Lindamood	<i>Blake Adolfae</i>	9/17/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	9/17/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	9/17/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	9/17/2025
Chief Financial Officer	Michelle Maddox	<i>Michelle Maddox</i>	9/17/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	9/17/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	9/17/2025
Board of Directors:	John Shively		

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Authorization for Expenditure Form

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AFE# 11193 S1

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:																												
Culvert rehabilitation is essential for ensuring track safety. Potential track issues resulting from failing culverts includes: 1. In-Track Sinkholes 2. Embankment Failures & Washouts 3. Saturated railbed & associated frost heaving and localized settlement Proper assessment, prioritization, and rehabilitation of culverts will provide necessary, long-term track safety improvements that will untimely reduce ARRC's exposure to lost time, lost productivity, train derailments, bodily injury or death, property damage and environmental hazards.																														
Scope of Work:																														
The project in 2024 is to complete final design and bid / construct new culverts at 1. MP 66.09 2. MP 67.51 This project will also complete preliminary engineering up to 30% and obtain environmental for culvert rehabilitation at MP225.971 Supplemental No.1 provides additional funding for the construction of the culverts located at MP66.09 and 67.51. Construction bids of culverts, taken together, came in higher than expected.																														
<table><tr><th>Project Name</th><th>Child AFE</th><th>Original Budget</th><th>Revised Budget</th></tr><tr><td>MP 225.97 PE</td><td>11364</td><td>\$ 144,316.00</td><td>\$ 144,316.00</td></tr><tr><td>MP 66.09 FD</td><td>11360</td><td>\$ 26,381.00</td><td>\$ 26,381.00</td></tr><tr><td>MP 67.51 FD</td><td>11362</td><td>\$ 27,467.00</td><td>\$ 27,467.00</td></tr><tr><td>MP 66.09</td><td>11361</td><td>\$ 900,918.00</td><td>\$ 1,672,868.00</td></tr><tr><td>MP 67.51</td><td>11363</td><td>\$ 900,918.00</td><td>\$ 771,968.00</td></tr><tr><td>2024 Complex Culvert Program</td><td></td><td>\$ 2,000,000.00</td><td>\$ 2,643,000.00</td></tr></table>			Project Name	Child AFE	Original Budget	Revised Budget	MP 225.97 PE	11364	\$ 144,316.00	\$ 144,316.00	MP 66.09 FD	11360	\$ 26,381.00	\$ 26,381.00	MP 67.51 FD	11362	\$ 27,467.00	\$ 27,467.00	MP 66.09	11361	\$ 900,918.00	\$ 1,672,868.00	MP 67.51	11363	\$ 900,918.00	\$ 771,968.00	2024 Complex Culvert Program		\$ 2,000,000.00	\$ 2,643,000.00
Project Name	Child AFE	Original Budget	Revised Budget																											
MP 225.97 PE	11364	\$ 144,316.00	\$ 144,316.00																											
MP 66.09 FD	11360	\$ 26,381.00	\$ 26,381.00																											
MP 67.51 FD	11362	\$ 27,467.00	\$ 27,467.00																											
MP 66.09	11361	\$ 900,918.00	\$ 1,672,868.00																											
MP 67.51	11363	\$ 900,918.00	\$ 771,968.00																											
2024 Complex Culvert Program		\$ 2,000,000.00	\$ 2,643,000.00																											
ARRC Business Justification																														
The focus of the Complex Culvert Program is to repair and replace inadequate or otherwise failing fish passage culverts and associated drainages. If this work is not performed, these culverts can fail, causing the roadbed to wash away or the tracks to become otherwise impassable. If the mainline is damaged and taken out of service, critical freight and passenger revenue will be lost. Worse yet, damaged roadbeds may cause an unexpected train derailment resulting in property damage and endangering the lives of those involved in the incident. Additionally, there is a much higher cost to reactively replacing failed embankments and culverts. Poor weather conditions, lack of personal / equipment availability, and strict time constraints may not only reduce the quality of the repair but also increase the overall replacement cost. As this program is specific to fish bearing streams, emergency repairs may also be subject to regulatory remediation or associated penalties for emergency in water work, which may kill downstream, spawning fish populations. Preventively maintaining and replacing necessary culverts, prior to their inevitable failure will insure greater track safety and service reliability for ARRC's customer needs, all while also reducing ARRC liabilities and ongoing maintenance cost.																														
Alternatives Considered:																														
Alternatives to the proposed project include items that are already performed in the field, as maintenance. However, maintenance has limited reach and cannot properly address the structurally compromised culverts, or improve their capacity or functionality. Culverts identified herein are in need of total rehabilitation and replacement moving forward.																														
Preliminary Budget:																														
Line Description	Amount																													
Equipment	\$ 35,577																													
Labor (Fully Burdened)	\$ 119,650																													
Materials	\$ -																													
Contracts	\$ 2,487,774																													
Other Expenses	\$ -																													
Total	\$ 2,643,000																													

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Adopted:

Resolution No. 2025-30

Relating to Increased Funding for the
2025 FTA Track Rehabilitation Program
(AFE No. 11308 S-1)

WHEREAS, adequate tie condition, regular surfacing and rail replacement are essential to maintaining the integrity of the track structure and avoiding derailments on the Alaska Railroad Corporation (ARRC) system;

WHEREAS, the Board of Directors previously approved the use of FTA funds as part of ARRC's 2025 Track Rehabilitation Program to fund work associated with maintaining adequate tie condition, surfacing and rail replacement, as set forth in AFE No. 11308 in the amount of \$26,000,000, consisting of 80% FTA funds in the amount of \$20,800,000 and 20% internal ARRC funds in the amount of \$5,200,000 which was approved by Resolution No. 2024-30 Relating to Approval of the 2025 Capital Budget, at the November 14, 2024 Board meeting; and

WHEREAS, Management has determined that additional funds are needed to accomplish the 2025 Track Rehabilitation Program in order to fully allocate grant funds available for work under that program and also to address increased cost of labor and materials necessary to accomplish that work; and

WHEREAS, proposed AFE No. 11308 S-1 would increase AFE No. 11308 by \$325,333, consisting of 80% FTA funds in the amount of \$260,266 and 20% ARRC internal funds in the amount of \$65,067, in order to supplement the funding of the ARRC's track rehabilitation work to be done as part of ARRC's 2025 FTA Track Rehabilitation Program; and

WHEREAS, ARRC's Approval Authority Guide requires Board approval of unbudgeted capital expenditures in excess of \$300,000; and

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed increase in funding for the 2025 FTA Track Rehabilitation Program as presented by ARRC Management and hereby approves AFE No. 11308 S-1 in the amount of \$325,333 for the purposes stated therein, which brings the total amount of AFE No. 11308 to \$26,325,333.

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11308 S-1

Page 1

General Information:	
AFE Title:	2025 Track Rehab Program - FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	MOW
Resp. Center (#):	1330
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Corporate
Spending Timetable:	
2025	\$ 26,000,000
2026	\$ 325,333
2027	\$ -
2028	\$ -
2029	\$ -
Total	\$ 26,325,333
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 1,053,013
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2025 Budgeted
Total Amount	\$ 26,325,333	
Source of Funding	ARRC (20%)	\$ 5,265,067
Source of Funding	FTA (80%)	\$ 21,060,266
Source of Funding		
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 26,000,000	11/08/24
Supplemental #1	\$ 325,333	09/16/25
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 26,325,333	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Rachel Maddy	<i>Rachel Maddy</i>	9/17/2025
Responsible Owner:	Lloyd Tesch	<i>Lloyd Tesch</i>	9/17/2025
VP, Owner Department:	Clark Hopp	<i>Clark Hopp</i>	9/18/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	9/17/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	9/18/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	9/17/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	9/17/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	9/17/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	9/17/2025
Board of Directors:	John Shively		

Original Form Must Be Returned to Accounting

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11308 S-1

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
Adequate tie condition, regular surfacing, and rail replacement are essential to maintaining integrity of the track structure and avoiding derailments.		
Scope of Work:		
Under the Tie Program, 40,000 hardwood crossties and switch ties will be installed in the mainline and sidings. Additionally, 5,100 hardwood crossties and switch ties will be installed in the Fairbanks Airport Branch. (\$14,829,000)		
Under the Rail Program, 23,000' of CWR will be re-laid, 50,000' of CWR will be created through contract crop and slide, and one switch will be upgraded. The Rail Program also funds ongoing thermite welding and rail pickup from previous year's programs, as well as Rail Flaw Detection. (\$8,920,000)		
In addition to the Tie and Rail Programs, the Track Rehabilitation Program includes a surfacing Program for surfacing within the districts (\$3,337,000), and contract Ballast Scan (\$1,069,000).		
Some of the activities in the 2024 Track Rehab Program are ineligible for federal funding: Tie replacement on the Eielson Branch and rail flaw detection. The cost of these activities is estimated to be \$2,155,000. Thus, at a minimum, the 2025 Track Rehab Program budget request of \$28,155,000 must be funded with \$2,155,000 of ARRC internal funding.		
ARRC Business Justification		
Rail: Failure to replace worn rail increases the risk of rails breaking in service, increases the need for surfacing and tie replacement, and more frequently results in damaged wheels.		
Ties: Replacing deteriorated ties with new wood ties is necessary to avoid gage and surface problems.		
Surfacing: Surfacing reduces slow orders and improves train running times. Surfacing also results in a smoother train ride, reduced track maintenance, and reduced mechanical wear on equipment.		
Rail Flaw Detection: This functions is required annually by FRA.		
Supplemental No.1 increases project budget by \$325K to fully allocate available grant funding and address increased cost of labor and materials.		
Alternatives Considered:		
None.		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	5,597,413
Labor (Fully Burdened)	\$	6,034,711
Materials	\$	10,057,851
Contracts	\$	4,635,358
Other Expenses	\$	-
Total	\$	26,325,333

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

PERMIT SUMMARY

PERMITTEE: Alaska United Fiber System Partnership

CONTRACT NO: 21213

PERMIT AREA DESCRIPTION: A fiber optics cable within portions of the ARRC mainline track right-of-way from Whittier to Indian, Alaska.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: upon signature

Base Annual Rent: \$60,942 (\$1 PLF)

Permit Term: 25 years

Prior Annual Rent: \$28,188.00 (\$.50 PLF)

Option to Extend: None

Rent Adjustment: Annual 3% increases.

Permit Area: 56,422 linear feet total

PUBLIC NOTICE: Yes, public comment period expires September 24, 2025

LEGAL REVIEW: Yes

INTENDED USE: Fiber Optic Corridor

SUMMARY AND RECOMMENDATIONS: Permittee has requested a new term for the permit for fiber that was installed in 1998 under ARRC Permit No. 7360. Approval of the proposed permit is recommended.

APPROVED: _____

Board Meeting Date: _____

Jennifer Mergens
ARRC Board Secretary



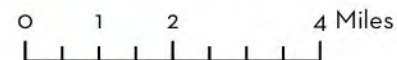
Date: 8/25/2025

Contract No. 21213

Legend

--- Fiber/Telecom

RR Boundary



LEASE SUMMARY

LESSEE: State of Alaska, DOT&PF

CONTRACT NO: 21196

LEASE DESCRIPTION: Lease of a portion of Tract 9 of the Seward Airport Tract 9 Subdivision, a subdivision of Lot 3, U.S. Survey 9000, being Parcel E-2 on State of Alaska Department of Transportation and Public Facilities Parcel Plat titled Seward Airport Improvements Seward Alaska Project No. Z548570000, located within the ARRC Seward Reserve and containing approximately 3.440 acres.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: February 1, 2026

Lease Term: Fifty-five (55) years

Option to Extend: N/A

Lease Area: 149,840 sq. ft., (3.44 acres) more or less.

Base Annual Rent: None. Consideration will be non-monetary in the form of enhanced and assured access for ARRC, as agreed in an MOU between ARRC and DOT&PF and described in greater detail in the Summary and Recommendations section below.

Prior Annual Rent: The rent for the existing 35-year lease with DOT&PF was set at 50% of fair market value, which in 1991 equated to \$13,158.12 per year. ARRC agreed to accept DOT&PF's prepayment of rent for the entire 35-year existing lease, discounted to its then-present value of \$158,000, which DOT&PF paid in 1991.

Rent Rate: N/A

Rent Adjustment: N/A

PUBLIC NOTICE: Yes, public comment will expire September 24, 2025.

LEGAL REVIEW: Yes

INTENDED USE: Airport Operations

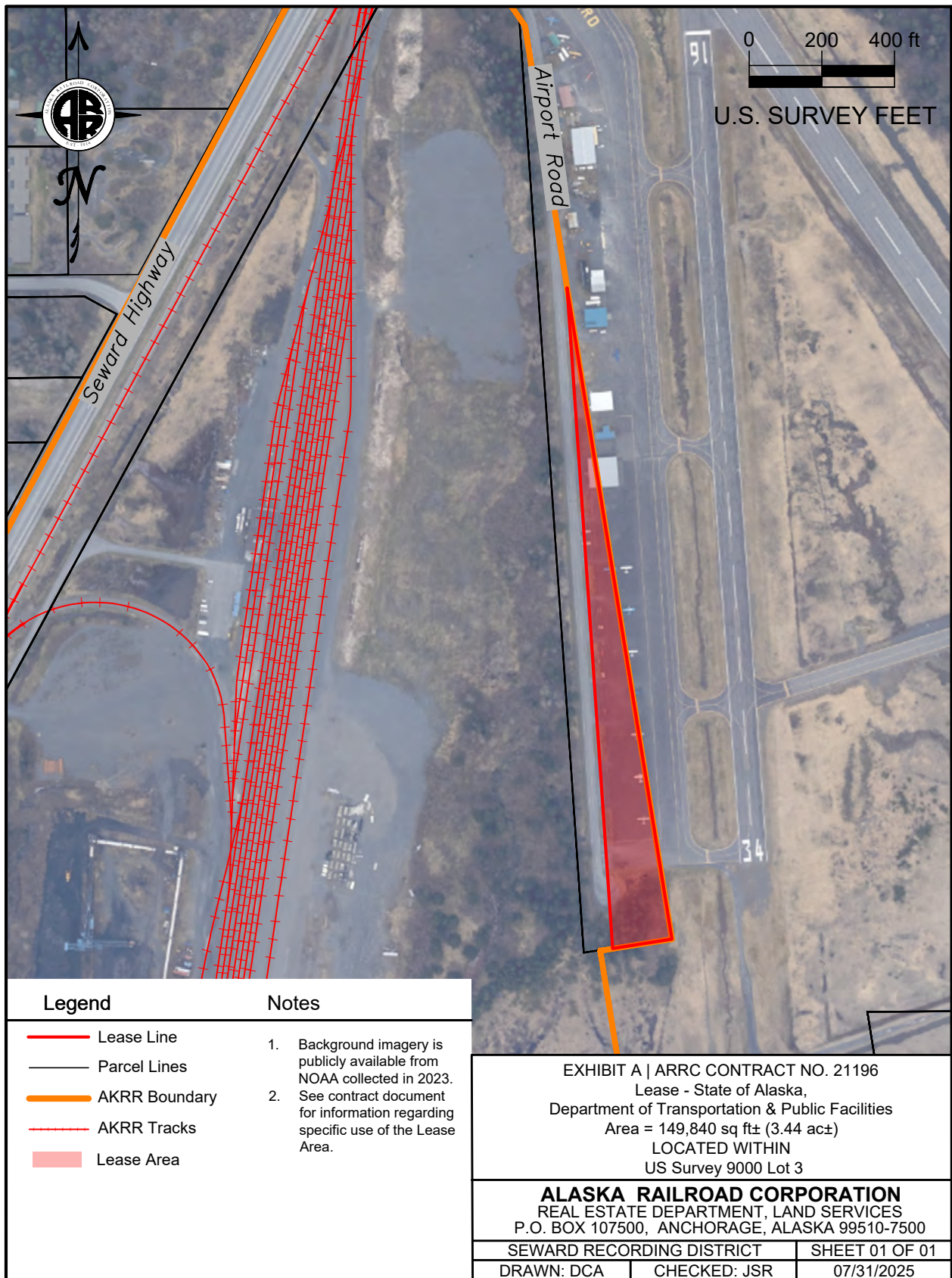
SUMMARY AND RECOMMENDATIONS: DOT&PF currently leases the property under a ground lease for a term of Thirty-Five (35) years. The current lease is scheduled to expire January 31, 2026. A new Fifty-Five (55)-year ground lease is being requested. The proposed consideration to ARRC for the renewal of the ground lease would take the form of a long-term easement in favor of ARRC with respect to traffic on DOT&PF's Seward Airport property to and via portions of Airport Road for traffic entering and leaving the ARRC Terminal Reserve, including but not limited to traffic from ARRC's Port Facility. Such

an easement will result in efficient access and traffic flow for users of both the Airport and the ARRC Seward Port Facility, all as recognized in a Memorandum of Understanding between ARRC and DOT&PF dated October 30, 2023 ("MOU"). Based on the foregoing, and the mutual benefits to ARRC and DOT&PF of the proposed lease terms and other aspects of the transactions described in the MOU, approval of the proposed lease renewal is recommended.

Note: In conjunction with the issuance of the above-described lease to DOT&PF and an associated access easement to ARRC, ARRC also proposes to issue an amended airspace permit to DOT&PF to replace an existing airspace permit to reflect a reduction in the area of land to be subject to said permit.

APPROVED: _____ **Board Meeting Date:** _____
Jennifer Mergens
ARRC Board Secretary

DRAWING LOCATION: P:\RealEstate\Land Services\01_MP 00-09_SEW13 Lease\21196-L State Of Alaska DOT\21196-L.dwg





LEASE SUMMARY

LESSEE: WAC Holdings, LLC

CONTRACT NO: 21222

LEASE DESCRIPTION: Lot 3 of the Ship Creek Crossing Subdivision, located within the ARRC Anchorage Reserve, situated within the Anchorage Recording district, comprising approximately 108,932 square feet.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: October 1, 2025

Prior Annual Rent: \$103,485.40 annually

Lease Term: Thirty-five (35) Years

Rent Rate: 9%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: Approximately 108,932 sq. ft.

Base Annual Rent: \$TBD (based on 2025 appraised value)

PUBLIC NOTICE: Yes, public comment will expire September 24, 2025.

LEGAL REVIEW: Yes

INTENDED USE: Office space and truck parking consistent with Lessee's business.

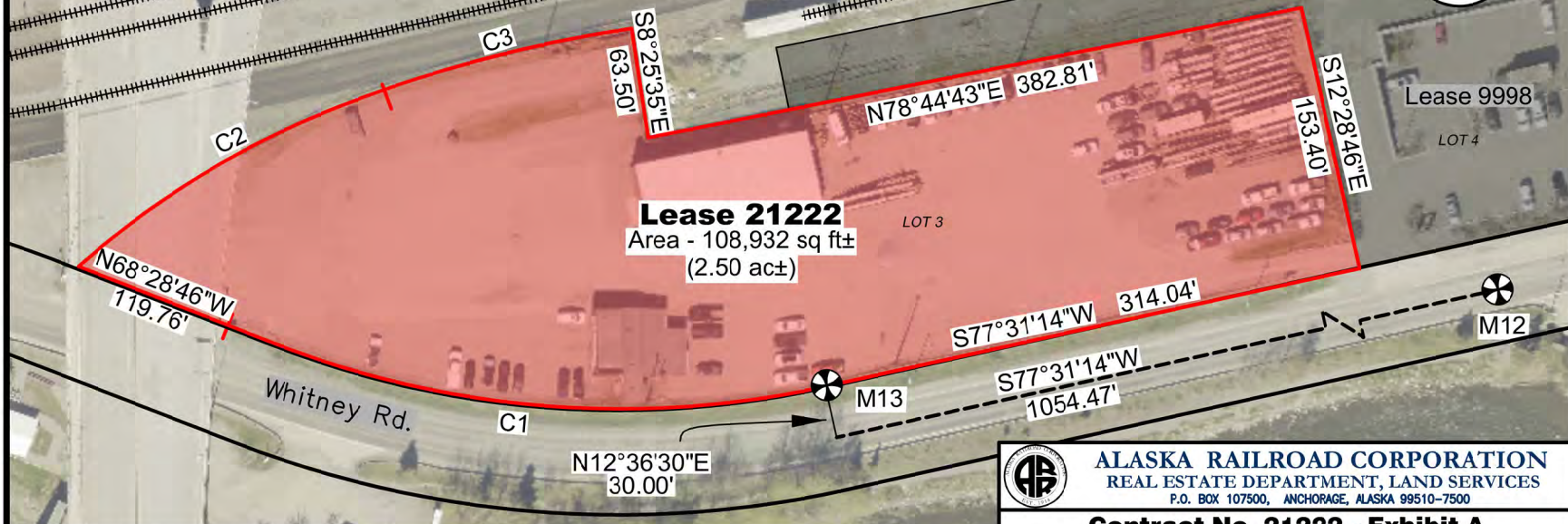
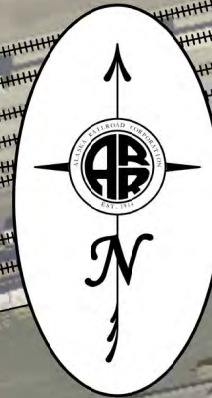
SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of twenty-five (25) years. The current lease is due to expire February 28, 2028. Lessee is requesting a new thirty-five (35)-year ground lease. Lessee plans to remove the existing modular office building and replace it with a new office building. Approval is recommended.

APPROVED: _____ **Board Meeting Date:** _____

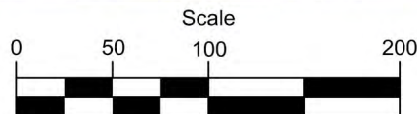
Jennifer Mergens
ARRC Board Secretary



Curve Table					
Curve #	Length	Radius	Delta	Chd Brg	Chd Dist
C1	322.96'	544.24'	34°00'00"	N85°28'46"W	318.24'
C2	176.53'	500.00'	20°13'42"	N58°25'35"E	175.61'
C3	174.01'	765.00'	13°01'59"	N75°03'25"E	173.64'



The meridian of this exhibit is based on monuments M12 and M13 of Plat 96-151



For indexing purposes this property is located in the S 1/2 Sec. 7, & N 1/2 Sec 18, T13N, R3W, S.M.

AlaskaRailroad.com



ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 21222 - Exhibit A
WAC Holdings, LLC
Area = 108,932 sq ft± (2.50 ac±)

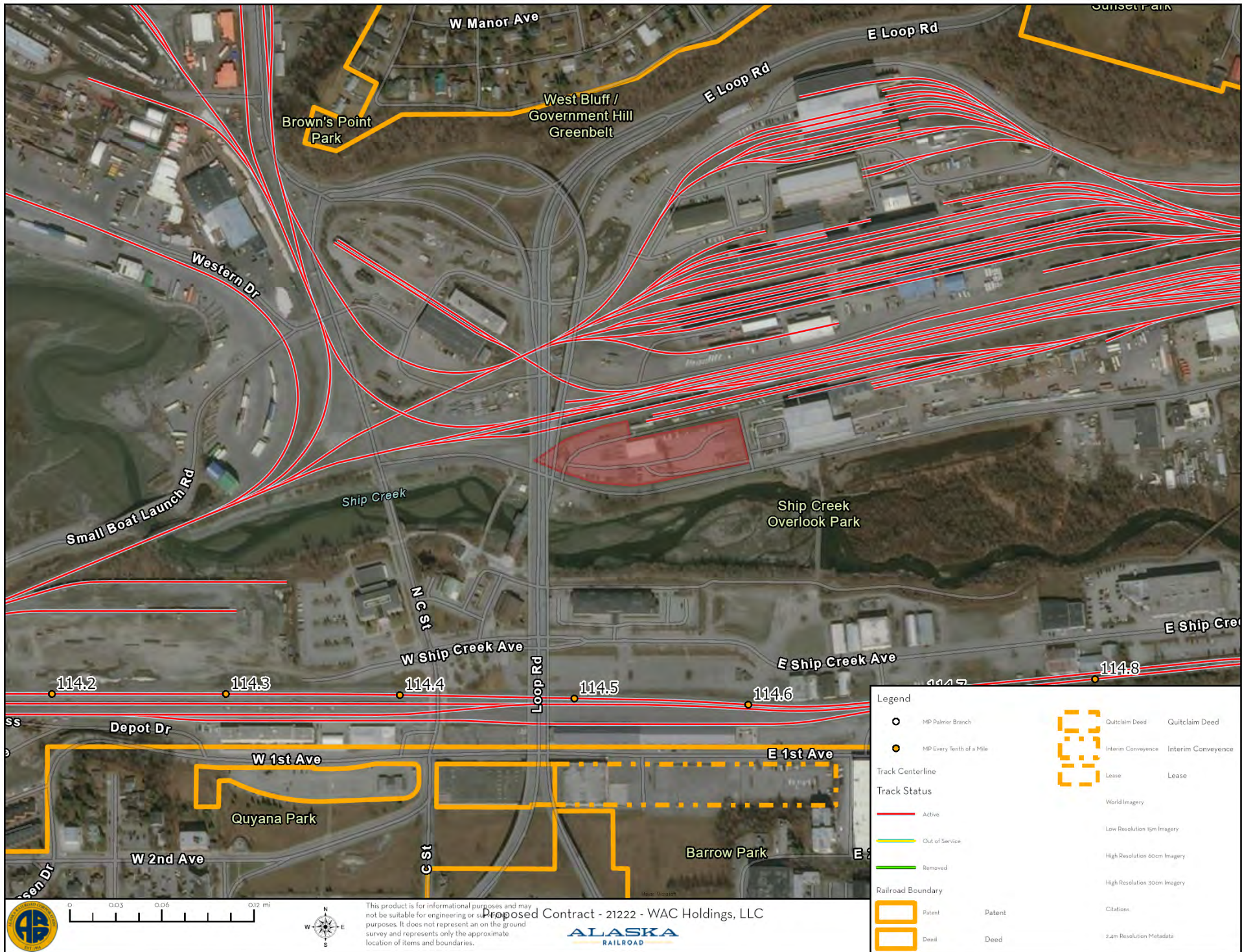
ARRC title - Patent 50-2011-0122 - USS 1170 Lot 2

DRAWN BY: DCA
CHECKED BY: JSR
APPROVED BY: JSR

SCALE: 1" = 100'

DATE: 2025-08-19

Anchorage Terminal Reserve



LEASE SUMMARY

LESSEE: Alaxsxaq, LLC

CONTRACT NO: 21223

LEASE DESCRIPTION: Lease of a parcel of land comprised of Lots 88, 89, and 90 of the Anchorage Terminal Reserve Train Yard, Whitney Road Passenger Main & First Ave, located within the ARRC Anchorage Reserve, containing approximately 84,500 square feet, of which 66,500 square feet are usable and 18,000 square feet are unusable.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: October 1, 2025

Prior Annual Rent: \$55,920.00 annually

Lease Term: Thirty-five (35) Years

Rent Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 66,500 sq. ft., more or less.

Base Annual Rent: \$TBD (based on 2025 appraised value)

PUBLIC NOTICE: Yes, public comment will expire September 24, 2025.

LEGAL REVIEW: Yes

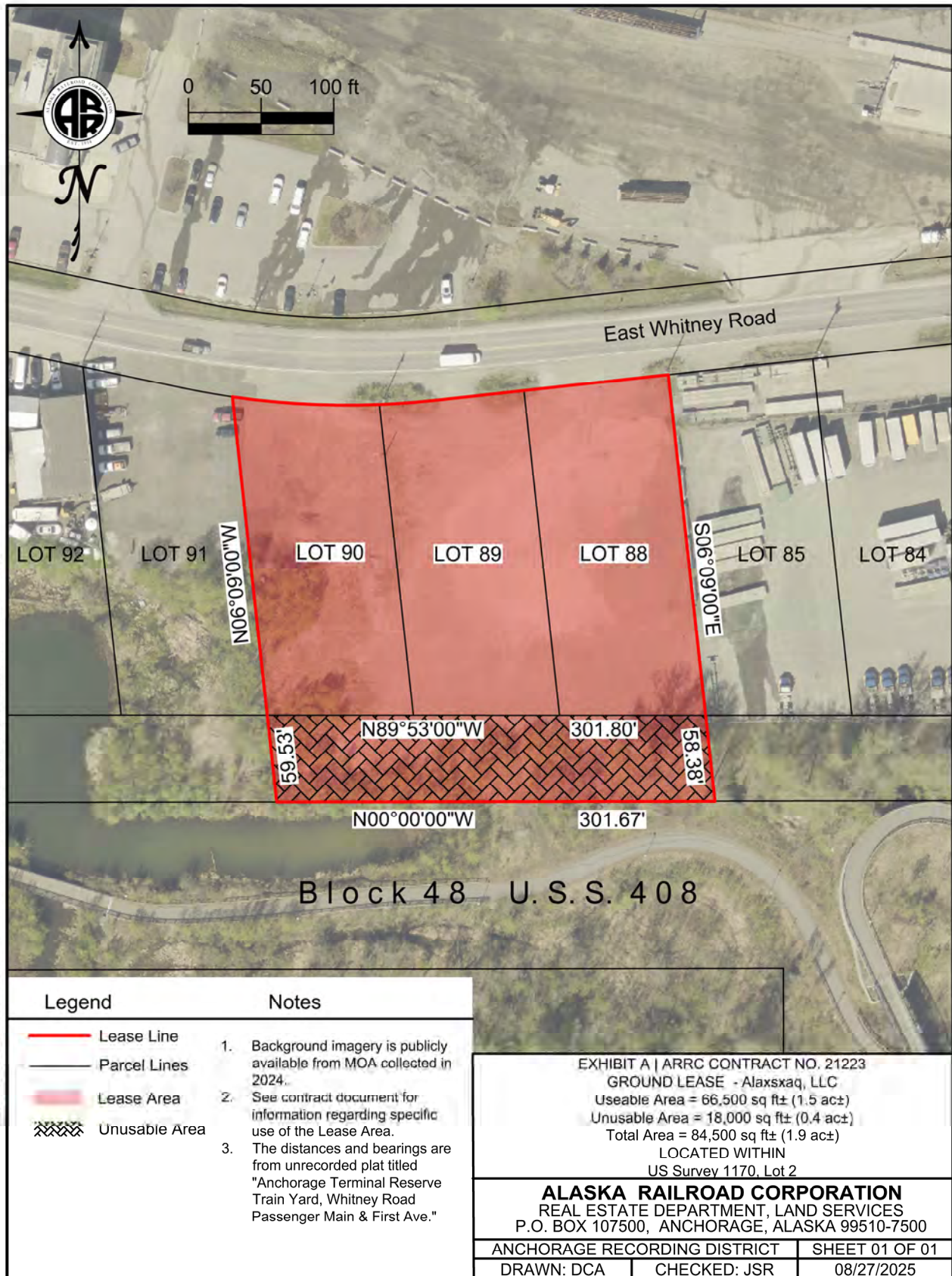
INTENDED USE: Warehouse space, office, storage and maintenance of trolleys consistent with Lessee's business.

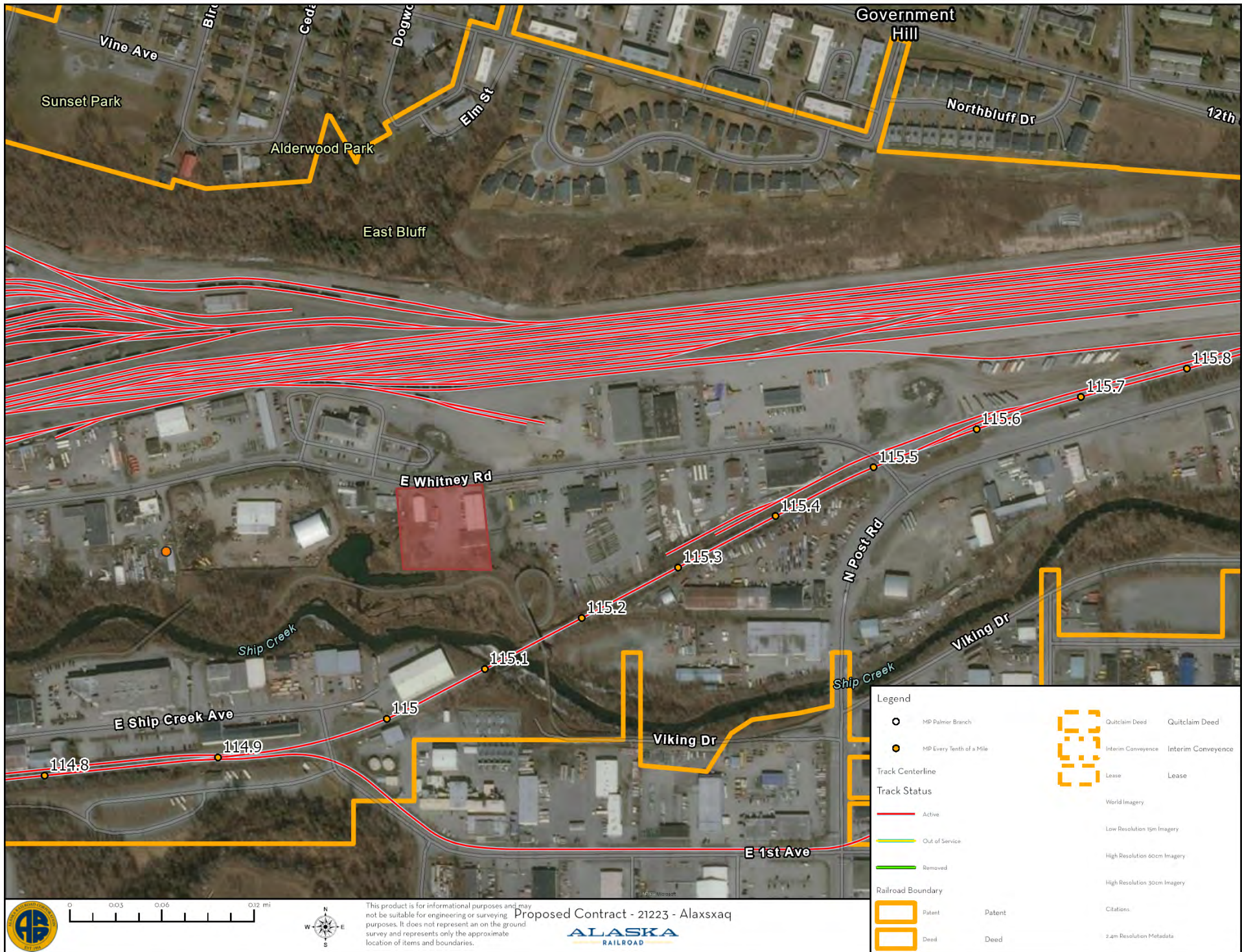
SUMMARY AND RECOMMENDATIONS: Lessee currently occupies the property under a Special Land Use Permit for a term of five (5) years. The current contract is scheduled to expire on April 30, 2029. Lessee is requesting a thirty-five (35)-year ground lease. Lessee plans to invest \$1.5M in site improvements to include a 7,200 sq. ft. building and fencing. Approval is recommended.

APPROVED: _____ **Board Meeting Date:** _____

Jennifer Mergens
ARRC Board Secretary

DRAWING LOCATION: P:\Realstate\Land Services\05_MP 103-117_ANC\113 Lease\21223-L Alaxsxaq, LLC\21223-L.dwg





LEASE SUMMARY

LESSEE: Snap Investments, LLC

CONTRACT NO: 21225

LEASE DESCRIPTION: A parcel of lease land situated in Tract C of the Ship Creek Crossing Subdivision, Lots 3-6 & Tract C, located within the ARRC Anchorage Reserve. Contains approximately 17,413 square feet (0.4 acres).

KEY CONTRACT PROVISIONS:

Estimated Effective Date: January 1, 2026

Prior Annual Rent: \$24,369.80 annually

Lease Term: Thirty-five (35) Years

Rent Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 17,407 sq. ft., more or less.

Base Annual Rent: \$TBD (based on 2025 appraised value)

PUBLIC NOTICE: Yes, public comment will expire September 24, 2025.

LEGAL REVIEW: Yes

INTENDED USE: Food service and retail operations consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: The prospective Lessee is in the process of purchasing the improvements from the existing tenant. The current lease, Contract No. 9407, expires December 31, 2026. The prospective Lessee is requesting a new thirty-five (35)-year ground lease. Approval is recommended.

APPROVED: _____ **Board Meeting Date:** _____
Jennifer Mergens
ARRC Board Secretary

DRAWING LOCATION: P:\RealEstate\Land Services\05_MP_103-117_ANC\113 Lease\21225-L Snap Investments, LLC\21225-L.dwg

